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Austria	Sch22	Indonesia	Rp3100	Portugal	Esc100
Bahrain	Din0.650	Israel	NS3.50	S.Arabia	Rls6.00
Belgium	BFr48	Italy	L1600	Singapore	S$4.10
Canada	C$1.00	Japan	Y600	Spain	Pta125
Cyprus	C£0.75	Jordan	Fils.500	Sri Lanka	Rup30
Denmark	DKr9.00	Kuwait	Fils.500	Sweden	SKr8.00
Egypt	E£2.25	Lebanon	$L125.00	Switzerland	SFr2.20
Finland	Fmk7.00	Luxembourg	LFr48	Taiwan	NT$85
France	FFr6.50	Malaysia	Rin4.25	Thailand	Bt50
Germany	DM2.20	Mexico	Pes300	Tunisia	Din0.800
Greece	Dr100	Morocco	Dh6.00	Turkey	L500
Hong Kong	HK$12	Netherlands	Fl3.00	UAE	Dh6.50
India	Rup15	Norway	NKr8.00	USA	$1.00

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FINANCIAL TIMES

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Tuesday November 3 1987

D 8523 A

After the arms deal: Respinning the nuclear web, Page 27

World News

Gadaffi to stay away from Arab summit

Col Muammer Gadaffi of Libya announced he would not attend the Arab summit scheduled to begin in Amman, Jordan, on Sunday, but proposed another meeting which could discuss an Arab atomic bomb.

The announcement emphasised difficulties the conference could face in reaching unanimity on a common stand against Iran. Page 4

Meanwhile, the Pentagon said a US frigate had opened fire on one of three suspected Iranian vessels that approached at high speed in the Gulf.

Sharon cash inquiry

Israel's Justice Ministry ordered police to investigate allegations that Trade and Industry Minister Ariel Sharon illegally channelled money and contracts to political allies.

S Africa storms base

South African forces stormed a guerrilla base in southern Angola, killing more than 150 Namibian nationalist guerrillas and losing 11 of their own men, Pretoria said. Page 4

Challenge welcomed

West Germany welcomed the first Soviet "challenge inspection" of military exercises on West German soil. Troop-cuts forum, Page 2

Freetown emergency

Sierra Leone citizens were barred from hoarding money and essential commodities under a state of emergency declared to resolve economic problems.

Aid for Nazi victims

Bonn coalition leaders agreed to allocate an extra DM300m ($173m) to victims of the Nazi era, including those who were forcibly sterilised. The decision must be ratified by parliament.

Palestinians on strike

Palestinians closed their shops, demonstrated and stoned Israeli vehicles in the occupied West Bank and Gaza Strip on the 70th anniversary of the Balfour Declaration in which Britain promised a Jewish homeland in Palestine.

Philippines attack

Gunmen attacked private security guards and seized their weapons outside a major US air base in the Philippines where three Americans were shot and killed last week.

RAF jets collide

Two British pilots were killed when their Royal Air Force Harrier jets collided in mid-air over northern England.

Hong Kong fraud case

Ten people, including seven former or serving government officials, were charged in Hong Kong with corruption linked with the faulty construction of 26 public housing blocks.

Helmet demo deaths

Two people were killed and 13 injured when Indonesian security forces clashed with thousands of students protesting against the enforced wearing of motorcycle helmets. Page 4

Salvador traffic ban

El Salvador's army would organise convoys and provide trucks to take people to work in an attempt to thwart a national ban on traffic called by leftist guerrillas, a military chief said.

Turkish toll

Seven Kurdish separatist guerrillas and a Turkish soldier were killed in a clash about 100km from the Iraqi border in south-east Siirt province.

Argentine ice alert

A 150m-tall iceberg was sighted near shipping lanes off southern Argentina, on an unusual path.

Business Summary

Orion pulls out of gilt, Eurobond markets

ORION ROYAL BANK, London-based investment banking arm of the Royal Bank of Canada, is withdrawing from market-making in UK government bonds and Eurobonds, with the loss of up to 150 jobs. Page 28

SANTA FE Southern Pacific, big US transport group which is under orders from anti-trust authorities to split up its core railroad holdings, and Henley Group, California-based conglomerate, are holding talks which could lead to the biggest non-oil takeover in US history. Page 29

SINGER, US defence electronics group and former sewing machine maker, has received a $50 a share takeover offer from a group of investors led by Mr Paul Bilzerian, Florida corporate raider. Page 29

GREYHOUND, diversified US consumer products and transport equipment concern, booked a 15 per cent rise in third-quarter income from continuing operations despite a $5.4m increase in losses at its Verex mortgage insurance business. Page 29

GENENTECH, US bio-engineering company, reported third-quarter net earnings of $5.2m or 6 cents a share, up from $3.7m or 5 cents in the same period last year. Page 29

EDPER, Canadian financial and resource-based conglomerate, has stepped in to help Wood Gundy, blue chip investment dealer, over problems arising from its heavy involvement in the BP privatisation issue. Page 29

TSB, British banking group's small shareholders have rebelled publicly against its £777m ($1.33bn) bid for Hill Samuel, merchant bank, at a furious 6½ hour extraordinary general meeting in London. Page 29

SUMITOMO LIFE, large Japanese life insurance company, is to take a stake of up to 2 per cent in Kleinwort Benson, leading UK merchant banks. Page 29

ROMATEX, South African textiles and floor coverings maker, reported increased sales R552m ($274.6m) for year to June, compared with R490m for same period last year. Page 33

MESSINA, South African mining company, has deferred its R62m ($30.9m) rights issue announced three weeks ago, because of the collapse in Johannesburg stock prices. Page 33

BRICK AND PIPE Industries, Melbourne-based building products group, has produced a flat result for half-year to September, with after-tax profit edging up to A$4.97m (US$3.35m) from A$4.95m. Page 33

BANQUE Francaise du Commerce Exterieur, French state-controlled bank, hopes to open its capital to outside investors, including customers and employees, as early as next year. Page 30

BANCO de Vizcaya, Spain's fifth largest commercial bank, reported a strong rise in pre-tax profits for first nine months, up 23 per cent to Pta18.8bn ($163m), compared with same period a year ago. Page 30

THOMSON, French state-controlled defence and consumer electronics group, reported flat first-half consolidated net earnings of FFr1.145bn ($197m). Page 30

STANDARD Chartered Asia, merchant banking arm of Standard Chartered Bank, has agreed in principle to acquire a majority stake in Chintung Holdings, big Hong Kong stockbroker. Page 33

MONTEDISON CHAIRMAN Mario Schimberni, has written to the president of the ENI state holding group in Rome with a proposal to pool the two group's chemicals activities. Page 29

ITALTEL, Italian telecommunications group, should post net profits in 1987 significantly higher than the L75.1bn ($58.8m) reported in 1986, Mrs Marisa Bellisario, the managing director, said.

Gorbachev denounces undemocratic bureaucracy

Mr Mikhail Gorbachev: strongly attacked Stalin for the purges of the 1930s

BY PATRICK COCKBURN IN MOSCOW

MR MIKHAIL Gorbachev, the Soviet leader, yesterday made his most radical and comprehensive criticism of the way Soviet society is managed since he came to power.

He said in an address to celebrate the 70th anniversary of the Bolshevik revolution that the central bureaucratic control of the economy was fundamentally undemocratic and had nothing in common with socialism.

The introduction of democracy and freedom of expression, he stressed, was the essential precondition for economic reform and development, although his own treatment of Soviet history showed strong signs of compromise between radicals and conservatives.

Mr Gorbachev strongly attacked Stalin for carrying out the great purges in 1937-38 and promised a commission to examine the rehabilitation of those killed or imprisoned.

"The guilt of Stalin and his immediate entourage before the party and people for the wholesale repressive measures and acts of lawlessness is enormous and unforgivable. This is a lesson for all generations."

But the basic theme of his three-hour speech was less denunciation of Stalin than a measured explanation of how centralised control of the economy had been developed after 1929 to concentrate all resources for the crash development of the economy.

Although he gave credit to this system for rapid industrialisation, he also strongly underlined that once established in the economy, it prevented the development of democracy and was at odds with the ideals of the 1917 revolution.

Some Soviet and foreign observers were disappointed that Mr Gorbachev did not directly rehabilitate some of the better-known victims of the purges, for instance, Nikolai Bukharin. But such a move may not be as good a barometer of radical opinions in the Soviet leadership as it once was.

More important than such gestures may prove to be his sustained argument that Stalin's method of running the economy, of brutal collectivisation of agriculture and rapid industrialisation, may have answered real needs at the time but were now obsolete and repulsive.

Mr Gorbachev returned repeatedly to his theme that the way Soviet society was run from 1929 to 1985 had to change and was changing decisively.

Although his comments on Nikita Khrushchev and Leonid Brezhnev, the Soviet leaders who succeeded Stalin, were mild, he linked the failure of economic reform in both cases to the failure to introduce more democracy.

Continued on Page 28

Background, Page 3; editorial comment, Page 26.

China to push ahead with political and economic reforms

BY ROBERT THOMSON IN PEKING

THE CHINESE Communist Party yesterday announced a Politburo stacked with successful reformers who seem certain to push ahead programmes to overhaul the party and economy.

Seven officials have been appointed to replace 10 departing Politburo members. The appointments mean the Politburo is dominated by reformers.

Zhao Ziyang, China's Premier, formally became general secretary, the party's most powerful official.

The man he replaced, Hu Yaobang, surprisingly managed to keep a Politburo place despite his fall from grace in January.

Zhao said last night that an interim premier would soon be announced to allow him to concentrate on party matters. Zhao, 68, said a younger man would be appointed and the vice-premier Li Peng, 59, has been tipped for the post.

Zhao scoffed at suggestions that factional friction was hindering China's development. "You know there were more than 1,900 delegates at the congress, and they all voted in favour of my work report. How can you say that there are factions?"

The gains made by the reformers, who are attempting to liberalise economic and political systems, comes after a recent series of victories, including the departure of more than 90 officials from the central committee and the formal acceptance of proposals for wide-ranging political reform.

However, the key Politburo standing committee - the five-man power elite - shows signs of compromise with the conservatives who fear reform has gone too far, too fast. Four new members were appointed, including two vice-premiers, Li Peng and Yao Yilin, who have publicly expressed doubts about the speed of economic change. For the first time the committee is without a Long March veteran.

Hu Yaobang's survival is a striking sign of the reformers' victory, since his dismissal as premier, for allowing the spread of western ideas, was felt by many diplomats as a sign that reform was in decline.

The reformers will now have no excuses if their programme fails to produce the desired results. The pressure on the new leaders will be particularly intense in coming months, as economic reform has been hindered by rising inflation, prompting fears in the party about social unrest.

Meanwhile, Deng Xiaoping, who resigned his senior party posts on Sunday, retains the chairmanship of the central military commission and the last word in Chinese politics.

Zhao said yesterday: "I will often ask Mr Deng's advice so that I will be able to do things better."

Asked about reforms in Eastern Europe, Zhao said that all Communist countries were now working on ways to adapt Marxism and that they should learn from, but not copy, each other. "China did not and will not compete with the Soviet Union," he said.

A beaming and relaxed Zhao, glass in hand, toasted and joked with journalists in the Great Hall of the People after his confirmation as general secretary.

Zhao clearly enjoyed himself as he worked the crowd, boasting that the smart Western-style suits he wears are made in China. He was accompanied by the four other members of the new Politburo Standing Committee, also in Western suits.

One aspect of the changes which remains unclear is the political role of the military. It had been thought that General Yang Shangkun would be promoted to the standing committee, but he has simply kept his place on the Politburo.

However, Chinese sources suggest that General Yang, 80, could become president early next year.

The party's secretariat, which looks after day to day affairs, was cut from 11 members to four, and lost two prominent conservative officials, Chen Pixian and Deng Liqun. Members of one Peking theatre company let off firecrackers at the news of Deng Liqun's demise.

The streamlining of the party is designed to make them more efficient and less prone to factional disputes. Several secretariat members have previously used the prestige of their posts to mount personal political campaigns, and the cumbersome central committee, trimmed from 209 members to 175, met only once a year.

The former 20-member Politburo has be reduced to 17, with one alternate member.

China's most powerful woman politician, Chen Muhua, governor of the People's Bank of China, the central bank, yesterday lost her position as an alternate member of the Politburo.

Li Peng: right credentials

Li anxious to keep the record straight

By Robert Thomson in Peking

THE NEW number two man in the Chinese Communist Party is sensitive about his past. While Li Peng has the correct revolutionary credentials, he feels unfairly labelled as a passionate central planner because of his years as a student in the Soviet Union.

"Some people like to attach labels, so they think that just because I studied in the Soviet Union, I am in favour of the Soviet model. On the other hand, some people study in the US, but does that mean they necessarily favour the US system?" Mr Li asked last night.

Li Peng, appointed to the party's standing committee yesterday, has grown up with the Chinese leadership. He was adopted by the former premier, Zhou Enlai, having been orphaned at three, and joined the Communist Party in 1945 at 17.

Mr Li, partly because of his Russian language skills, has been China's emissary to Eastern Europe, and has met Mr Mikhail Gorbachev, the Soviet leader

Continued on Page 28

Dollar falls to record low against yen

BY SIMON HOLBERTON IN LONDON AND RODERICK ORAM IN NEW YORK

THE DOLLAR remained under pressure on foreign exchanges yesterday despite the efforts of the Bank of Japan and some European central banks to steady the market's continuing unease over US economic policy.

The market's readiness to sell the dollar was evident by its reaction to a detailed restatement of West German monetary policy of opposition to higher interest rates in West Germany and the US by Mr Karl Otto Poehl, the president of the West German central bank, the Bundesbank.

In an apparent reference to recent schemes suggested by Mr Nigel Lawson, the UK Chancellor of the Exchequer, and Mr James Baker, the US Treasury Secretary, Mr Poehl expressed scepticism over the advisability of establishing formal target zones for currencies, or relying too much on commodity price movements as a guide to exchange rate management.

Despite intervention earlier in the day by the Bank of Japan, the Bundesbank and the Swiss National Bank the dollar fell to all-time lows against the yen and the Swiss franc and to its lowest point against the D-Mark since January 1980.

On Wall Street the weakness undermined US bond prices for the first time since the dollar began its slide 10 days ago. Bonds had held up well until yesterday because of strong domestic demand. Although the dollar's weakness could deter foreign investors at this week's quarterly Treasury refunding, dealers remained optimistic of heavy buying by domestic investors.

Despite the concerns over the dollar equity markets continued the trend of late last week with solid two-way trading in evidence. In Tokyo the Nikkei index gained 29.69 points to close at 23,358.60 ahead of today's national holiday.

New York investors treated stocks cautiously at the opening after the hammering equities received on the two previous Mondays.

Trading volume subsided to normal levels for the first time in over two weeks. Institutional and retail investors were buying selectively but most traders expected the market to remain quiet and relatively stable this week while Wall Street watched Washington's progress on cutting the federal budget deficit.

The Dow Jones Industrial Average closed up 20.56 points at 2,014.09 after sinking some 25 points shortly after the opening. NYSE volume was 176m shares. US exchanges are closing 90 minutes early for the first three days of this week and an hour early the last two days.

In London, the dollar closed at Y137.05 compared with Y138.35 on Friday, at $1.739 ($1.722) against the pound and at DM1.7120 (DM1.7280). In New York, it closed at Y136.95, at $1.74 against sterling and at DM1.7105.

London Stock Exchange settlement day, Page 8; Poehl defends monetary policy, Page 28; Markets, Page 50

SLUGGISH economic growth in West Germany next year is likely to lead to only a small reduction in the massive current account surplus, the country's five leading economics research institutes said. They urge Bonn to spur economic growth by bringing forward its controversial programme of tax cuts, Page 28

Elders drops ambitious plans for international overhaul

BY STEVEN BUTLER IN LONDON AND BRUCE JACQUES IN SYDNEY

ELDER'S IXL, the Australian brewing, agribusiness and finance conglomerate which owns the Fosters brand, yesterday abandoned a complex international restructuring plan that would have involved large stock market offerings in London, Hong Kong and Sydney.

Mr John Elliot, chairman, blamed the crash in world stock markets for the withdrawal, in what was the first visible sign that high-flying Antipodean entrepreneurs were being forced into retrenchment in the wake of the steep fall of share prices.

The retrenchment leaves Elders saddled with heavy debts - nearly A$3.2bn, compared to shareholders' funds reported at A$4.5bn. Although Elders has a strong cash flow, it is unlikely to be able to proceed with ambitions to acquire a major US brewery, of which Mr Elliot had spoken.

The announcement in Adelaide last night came just two days before shareholders were scheduled to vote on the proposals that would have led to the restructuring of Elders into three divisions - brewing, agribusiness and finance. This was to have been accomplished by share flotations in Hong Kong, Sydney and London.

Flotation of the 5,000 public house estate of Courage, the UK brewer, has been cancelled, although the plan may be revived, possibly in a different form involving private placement, when conditions allow. Elders said the float was linked to property values and interest rates and that the division would be run as a property group linked to the brewery.

The restructuring was aimed at increasing the group's market capitalisation, and Mr Elliot said that the expected gains from the flotations would now be insufficient to justify options to shareholders included in the plans of a A$1 per share capital return or a one-for-five bonus share issue.

Elders has some A$600m of outstanding convertible preference shares, and these will now have to be treated as debt since the conversion price is well above the current market price.

Elders directors also said they had received indications from the company's major shareholders, which include Broken Hill Proprietary and AFP Investments, that they supported the decision to withdraw.

The decision, which was widely anticipated, comes after a savage fall in the company's share price, from a high of A$5.94 earlier in the year, to A$2.75 on Friday, although the shares recovered to A$3.15 in yesterday's rally.

The steep fall in the Australian market has raised questions about other entrepreneurs, including Mr Robert Holmes A'Court, whose Bell Group yesterday closed at A$3.10, compared to a high for the year of A$10.60.

Mr Holmes A'Court's position was considered especially vulnerable because of the weak cash flow of his companies, which depend heavily on share plays for profits. Mr Holmes A'Court said in Perth yesterday, however, that the group had put together "substantial" lines of credit in the past 12 months that would allow it to continue to pursue its goals. Speculation has recently centred on whether Mr Holmes A'Court would be forced to liquidate his substantial UK shareholdings in order to raise cash.

For the stock market, the immediate past has been traumatic.

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ITALIANS RELUCTANT TO GRASP BUDGET NETTLE

Treasury Minister Giuliano Amato, who is pressing for a more austere finance bill, Page 2

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Bonn welcomes Soviet military inspection

THE BONN Government has welcomed the first Soviet "challenge inspection" of military exercises on West German soil, saying it helped increase East-West trust, Reuter reports from Bonn.

Moscow, using its right to short-notice checks on exercises under an agreement by 35 nations in Stockholm, sent four officers last week to US wargames in southern West Germany, said the foreign ministry.

It was the first Soviet challenge inspection in West Germany, apparently to check the declared size of the manoeuvres.

The Soviet officers' 48-hour tour followed visits to a series of wargames in West Germany this autumn by 170 observers from Nato, Warsaw Pact and neutral countries.

The Soviet tour included the two large training bases of Grafenwoehr and Hohenfels used by US and West German forces.

Moscow announced the inspection after the US had cut the number of men taking part in the exercises from 13,400 to 11,650. This is on the borderline of wargames that must be reported but well below the 17,000-troop exercises to which observers must be invited.

It followed challenge inspections of Soviet wargames in August by US officers and of East German exercises by Britain the same month. Moscow sent officers to inspect manoeuvres in Turkey in September.

● US and Soviet negotiators on intermediate-range nuclear forces held two meetings yesterday, a US spokesman said, in the resumed efforts to agree on a treaty before the scheduled superpower summit in December, AP reports from Geneva.

"They're working flat out," US spokesman Mr Terry Shroeder said.

President Ronald Reagan announced on Friday that the Soviet leader Mr Mikhail Gorbachev would arrive in Washington on December 7 for a summit at which it was hoped an agreement to eliminate INF would be signed.

Mr Reagan said the remaining details to be resolved were "technical" but were important in ensuring against cheating on a treaty.

Among the issues still to be resolved is whether Soviet monitors will be stationed at the nuclear bases in West Germany, Britain, Italy and Belgium where the US missiles are now stationed.

There is a tentative agreement to permit US monitors at Soviet missile sites, and the Kremlin is seeking reciprocity in Western Europe.

British designer alleges plagiarism over Messina tunnel

BY JOHN WYLES IN ROME

ITALY'S TRANQUIL and barely perceptible progress towards deciding whether or not to join Sicily with the mainland by bridge or tunnel has been jolted by a British consultant's allegations of partiality and plagiarism.

At the weekend, Mr Alan Grant took full page advertisements in eight Italian newspapers to tell the story of his 19-year battle to persuade the authorities to adopt his design for a tunnel across the Straits of Messina.

For most of the time he has looked likely to lose to the lobby for a suspension bridge, but last week his cause was given an unexpected and apparently unwelcome boost when a consortium of state-owned companies produced a tunnel design which Mr Grant claims is, in all important respects, identical to his own.

Christened "Archimedes Bridge," its virtue was first recognised in 1969 when it was the only tunnel among six winning projects in a special competition for a link across the straits. Mr Grant proposed a submerged concrete tunnel for carrying road and rail traffic which would be anchored to the sea bed by a system of crossed cables.

Mr Grant says that the anchoring is his intellectual property right which is protected by patent. He sold the majority stake in the patent some years ago to Mr Elio Matacena, a ferry operator across the Straits.

Last week, Saipem, Snamprogetti, Spea and Tecnomare – all companies belonging to the two major Italian state holding groups, IRI and ENI – unveiled a feasibility study for two road and one submerged railway tunnels to be anchored to the seabed by cables. "They are promoting precisely my scheme," Mr Grant said yesterday.

Mr Grant said he had taken out the newspaper advertisements "to put the facts to the Italian public". Now approaching 65, he may not live to see the tunnels built but says he should have the recognition for such a major project.

His advertisement dwelled at length with his longstanding grievances against Straits of Messina Spa, the state company set up to make recommendations on a fixed link.

This is headed by Mr Gianfranco Gilardini who was a fellow prizewinner in 1969 with a design for a suspension bridge with three spans.

No comment was available yesterday from the companies sponsoring the tunnel design, but Mr Gilardini's company said that it would show that Mr Grant's allegations were without foundation "at the appropriate time and place".

Mr Grant alleges that Mr Gilardini has been reluctant to consider any alternative to a suspension bridge. He claims the Straits of Messina company issued a misleading judgement on his design which has, in fact, been technically validated by the Italian naval registration agency.

CGTP to join Lisbon economic board

By Diana Smith in Lisbon

PORTUGAL'S communist-dominated trade union confederation, CGTP will for the first time sit on the Council of Social Co-ordination, the government prices and incomes authority.

CGTP representatives took their seats yesterday at the Council's first meeting since the Anibal Cavaco Silva centre-right government won a landslide in the July 19 general election.

Facing radically different economic and social conditions, in a climate where union militancy and systematic industrial action have lost momentum in recent years, the CGTP will bargain with rather than confront leaders of the industrial, agricultural and commerce confederations.

The first round of bargaining may be tense. The Government has set 6 per cent as its 1988 inflation figure on which wage negotiations will be based, and announced a 6 per cent increase for civil servants in 1988.

Italian cabinet reluctant to grasp the budget nettle

BY JOHN WYLES IN ROME

Amato: passing the chalice

A GENERAL reluctance to assume responsibility for still more unpopular economic measures is bedevilling the Italian Government's highly unusual attempt to rewrite its 1988 budget proposal more than a month after its first public presentation.

At a time when the budget would normally be well into its parliamentary discussion, business and the markets are in total uncertainty about the Government's financial strategy.

Meanwhile, Mr Giuliano Amato, the Socialist Treasury Minister, is pressing Mr Giovanni Goria, the Christian Democrat Prime Minister, to lead the presentation of a more austere Finance Bill; the Prime Minister's office was insisting yesterday that Mr Amato, together with the Finance and Budget Ministers, come up with proposals which might justify such a move.

The only hand apparently guiding the Government at the moment is that of Mr Bettino Craxi, the Socialist leader, who is not part of it. He wants the credit for pushing the Government towards "sound policies" but wants to avoid any fall-out which might seriously damage his party's standing.

The Senate's budget committee decided on Saturday not to press ahead with its consideration of the original Finance Bill in a move which was understood to have been agreed between Mr Amato and the committee chairman, the Christian Democrat Mr Nino Andreatta, an economist who favours a sharp attack on public spending.

Although obviously a sponsor of the 1988 Finance Bill, Mr Amato is known to have shared many of Mr Andreatta's doubts about its chances of holding the public sector deficit steady at L109,500bn(£50.5bn), let alone of bringing it down.

Mr Amato was unhappy about various detailed changes made to the budget proposal by his Christian democrat colleagues, Mr Antonio Gava, the Finance Minister, and Mr Emilio Colombo, the Budget Minister, while he was attending the annual meeting of the Iinternational Monetary Fund in Washington at the end of September.

The budget has also come under sustained and barely veiled criticism from the Bank of Italy for simultaneously fuelling inflation by raising VAT rates by one percentage point and boosting domestic demand by adjusting tax rates on low and middle incomes.

At the end of last week, the Bank forecast that inflation would reach an annual rate of 6 per cent by the end of the year and seemed highly dubious about the Government's budget estimate of a 4.5 per cent annual rate in 1988.

When and how the Government will respond to the new situation is unclear. Mr Amato is justifying a rewritten budget proposal on the grounds that the turbulence in the markets in recent weeks points to lower growth in the US and the world economy next year.

He is said to favour a budget deficit target of L100,000bn, without yet indicating how it might be achieved. The Senate budget committee came up with suggested savings of L4,600bn, but leaving VAT rates unchanged would cost L4,750bn.

A possible saving of L5,470bn could be found if direct tax rates are not altered and increases in family allowances are withheld. This would be bound to lead to a test of strength with the trade unions which, although far from at the peak of their powers, could still be a match for a Government which appears anything but robust.

French Socialists want arms report published

BY PAUL BETTS IN PARIS

THE French Socialist Party yesterday demanded publication of a confidential Defence Ministry report said to contain allegations of the party's involvement in illegal arms sales to Iran.

Disclosures about the report by two news magazines at the weekend have provoked a new political storm in France barely six months before the presidential elections.

The party yesterday again vigorously denied any involvement in the illegal arms sales to Iran by the Luchaire company between 1983 and 1986. It said the allegations were part of a political campaign to try to discredit the Socialists in the run-up to the elections.

It also asked for the report to be published and said that it would question Mr Andre Giraud, the Defence Minister, about the affair in the National Assembly.

Mr Jean-Jacques Queyranne, the Socialists' spokesman, also denied that the party had received any financial contributions in connection with the arms sales, as implied in the magazine articles.

The controversy is expected to worsen tensions between right and left in France already exacerbated by a string of recent political scandals involving both the parliamentary majority and the opposition.

The affair coincides with a sharp decline in French defence export orders. Although France last year remained the world's third largest arms exporter after the US and the Soviet Union, orders declined to FFr25.5bn(2.5bn) last year from FFr44.5bn the year before and FFr61.8bn in 1984. New orders in the first half of this year totalled only FFr9.8bn.

East and West agree on new troops cut forum

BY JUDY DEMPSEY IN VIENNA

NATO and Warsaw Pact member countries which are holding informal meetings on how to give impetus to the reduction of conventional forces in Europe have agreed in principle to start formal negotiations next year.

During a lengthy meeting of the 23 countries yesterday both sides accepted that negotiations should begin in 1988 but fixed no precise time or venue.

The negotiations will take place within the framework of the Conference on Security and Co-operation in Europe (CSCE), which consists of the 35 countries of Eastern and Western Europe (bar Albania), the Soviet Union, the United States and Canada.

They will require a mandate from the CSCE before they can begin formally and will not directly involve the neutral and non-aligned countries. They will be regularly informed on their progress, however.

Progress has been steady since the two sides began holding informal meetings last February to consider new ways of reducing conventional forces in Europe. But two significant stumbling blocks still stand in the way of a speedy agreement on a draft mandate. The first concerns the scope of the new negotiations.

In a draft plan presented in June the Warsaw Pact it proposed that short-range nuclear weapons and some tactical aviation systems be covered in the new forum. During the meetings, Nato has insisted that the talks focus on conventional forces alone.

"If there is one thing which will slow us down, it will be this crucial difference in what systems to include in the new talks," a Western diplomat said.

The second stumbling block is the venue itself. The Austrians in particular are lobbying energetically for the talks, which will also include a special meeting on military confidence-building measures, to be held in Vienna. At the moment, the Austrian is hosting a major follow-up meeting of the Helsinki Final Act.

The French, however are opposing such a plan on the grounds that Vienna might become a "headquarters" for any future CSCE arms negotiations. French diplomats also argue that since the deadlocked Mutual and Balanced Force Reduction talks have been meeting for 14 years in Vienna, any new forum in the city would be coloured by the sense of failure of the those talks.

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SEVENTY YEARS OF THE SOVIET REVOLUTION

Patrick Cockburn finds that journalists rather than poets are in the vanguard of intellectual change

Soviet intelligentsia learn to think in a modern world

THE Soviet intelligentsia greeted the election of Mr Mikhail Gorbachev as leader in 1985 with apathy and cynicism. Many foresaw a bleak future dominated by "Brezhnevism without Brezhnev."

It was only towards the end of last year that intellectuals in Moscow began to appreciate that greater freedom of expression had come to stay and that Soviet political and cultural life was going through its most profound change since 1917.

There was an outpouring of books, plays and films hitherto censored: Repentance, a film by the Georgian director Abuladze loosely based on the life of Beria, the head of the secret police during the later years of Stalin, was shown in cinemas throughout Moscow.

Earlier this year,The Children of the Arbat, an historical novel by Anatoly Rybakov about Soviet society and the terror in the Thirties, was published almost 20 years after it was written. In 1988 the magazine Oktyabr will start serialising the novel Life and Fate by Vasily Grossman in which the action takes place during the battle of Stalingrad but deals with previously forbidden topics such as anti-semitism and torture in Soviet prisons.

The publication of Grossman's book indicates how freedom of literary expression has now moved far beyond the limits allowed under Khrushchev. When Grossman first tried to publish it in 1961, at a time when Khrushchev was at the height of his power, the KGB security police came to his apartment and confiscated every manuscript copy of the book they could find.

Not surprisingly intellectuals rallied to Mr Gorbachev throughout last year. Mr Alexander Yakovlev, party secretary for propaganda and culture, backed changes in the leadership of the writers, film and theatrical unions and largely ended censorship. Radical editors were appointed to reanimate moribund magazines such as Ogonyok and Moscow News.

The backing of the intelligentsia for Mr Gorbachev's reforms is important because the Communist Party's own ability to influence public opinion had withered steadily during the Seventies and early Eighties. The official representatives of Soviet culture neatly demonstrated their intellectual bankruptcy by the award of the country's top literary prize to President Leonid Brezhnev for his memoirs in 1979.

Today the atmosphere is very different. The dissident opinions of 1985 are now the party line. Academics who previously toned down heretical opinions for publication in small circulation journals now find themselves writing for Izvestia and Pravda.

In many respects the present intellectual atmosphere in the Soviet Union resembles the 1960s in Western Europe and the US. The mould which shaped Soviet society in the 1930s is breaking up and a new and highly educated generation is looking for fresh ideas on how they and their society should live.

Unfortunately, despite the opportunities given by *glasnost* (openess), the old intelligentsia have proved largely incapable of providing new ideas to cope with present problems.

Mr Boris Kagarlitsky, one of a new generation of Soviet critics, speaking of changes in the intelligentsia in 1986-87, writes of this period: "The trouble with the liberal intelligentsia was that it showed itself quite incapable of any constructive initiative of its own, preferring just to applaud Gorbachev's decisions."

He says that among the representatives of "high culture" the ideas of the Sixties predominate, adding: "The fashionable books published in 1986 (Rasputin's Fire, Astafyev's The Doleful Detective, Aitmatov's The Executioner's Block) bear witness not only to the disappearance of many censorship restrictions but also to the decline of analytic thought."

The central reason for this is that many Soviet intellectuals remain as rooted in the 1950s as the former leadership. Writers debate how long the present thaw will last and how many victims of the purges will be rehabilitated.

But for the younger generation - and the Soviet generation gap is much greater than in the West in the 1960s - destalinisation is not enough. Reflecting on the impact of the present historical debate on Soviet youth, Mr Mikhail Gefter, one of the Soviet Union's most perceptive historians, asks: "Should we carry the picture of Khrushchev and trample that of Stalin? They will never believe us, they will refuse to listen to us."

Such sentiments are in keeping with the present mood of social, historical and political self-appraisal. Historical archives previously under lock and key are being opened up. Sociologists examine the way Soviet society actually works as opposed to how it is meant to work. Opinion polls show what people actually believe rather than what the Government would like them to believe.

Some of the conversions of previous upholders of orthodoxy to the new way of thinking have been too fast to be convincing. Nothing, said a Soviet commentator on television last year, is more repulsive than "collective recovery of eyesight".

But overall the current intellectual changes run far deeper than under Khrushchev. There are three main reasons for this: a much wider range of publications are involved; almost every Soviet household has a television so changes in the media have far greater impact impact on public opinion; above all the spread of higher education means that there is a much more active and well-informed public opinion looking for new ideas.

Again in contrast to the thaw under Khrushchev, it is journalists catering for a mass audience not novelists and poets writing for an elite who are now in the vanguard of intellectual change.

> The dissident opinions of 1985 are now the party line. Academics who previously toned down heretical opinions for publication in small circulation journals now find themselves writing for Izvestia and Pravda. In many respects the intellectual atmosphere in the Soviet Union today resembles the 1960s in Western Europe and the US

"Now literature seems to have stepped aside," wrote Mr Sergei Baruzhdin, the editor of a literary magazine, recently, "with the exception of journalists attacking current and potential opponents of *perestroika* (restructuring) rather than past shortcomings."

Western observers of the Soviet Union have tended to concentrate on changes in the press as the central feature in *glasnost*. But for most of the 283m Soviet citizens new discussion programmes, documentaries and phone-ins on television have had a greater impact than articles in the press.

A youth programme such as The Twelfth Floor has an audience of up to 100m according to official figures. Last Monday, for instance, a large part of the adult population watched a documentary called Risk on the development of nuclear weapons including criticism of Stalin and footage of Khrushchev. Mr Gorbachev is the first Soviet leader who knows how to use television.

Underpinning these changes in the intelligentsia and the media is an enormous shift in educational levels and the social composition of the USSR. Stalin and Khrushchev ruled a land still dominated by the village.

At the same time higher education has produced a much larger and more sophisticated mass audience for magazines such as Ogonyok, newspapers such as Izvestia (much more avant garde than Pravda) and television programmes such as The Twelfth Floor. To win readers and viewers the Soviet media now has to compete hard in a way that it did not before.

This social revolution is the real basis for the Gorbachev reforms. According to Dr Vilen Ivanov, director of the sociological institute in Moscow, the main feature of this revolution is a rapid increase in the number of people with higher education, professional and managerial groups who now make up 22 per cent of the population.

As this group has grown, the number of peasants has dropped sharply and the working class has remained static as a proportion of the population.

Mr Gorbachev pictured yesterday during his speech marking the 70th anniversary of the Bolshevik revolution.

These social changes have also had an impact on the position of Soviet intellectuals. They are no longer the preservers of culture in a semi-literate country. Ironically their influence is therefore likely to diminish at the very moment when they have largely obtained the freedom of expression denied them for so long.

Largely but not entirely. There are, for instance, still no wholly independent publishing houses. When Josip Brodsky, exiled Soviet poet, won the Nobel prize for literature. this month, poets in the capital were still noticeably glancing over their shoulder to discover the party line on the award before welcoming it.

On the other hand there is no sign of Russians losing their appetite for large doses of culture. In one packed Moscow theatre last month the audience watched a four-hour performance of Chekhov's Uncle Vanya in Lithuanian (with simultaneous translation into Russian), at the end of which the director invited the audience to join in a discussion of the play.

But the most interesting intellectual changes in the Soviet Union today are in mass rather than elite culture: the transformation of the mass media, the creation of informal groups and societies and the development of a public opinion with its own institutions.

In the past intellectuals in Moscow owed some of their influence to the degree to which the rest of Soviet society, including most of the Communist Party, had become not just muzzled but depoliticised. Talk in the West about conflict between opponents and protagonists of Mr Gorbachev's reforms often misses the significance of the dog which does not bark in the night, that too often *perestroika* provokes neither conflict nor debate but apathy.

Society is now becoming politicised again, but nobody knows how far the process will go or the future political shape of the country. Mr Grigory Pelman, a sociologist who is head of a political club in Moscow, says: "The question is not of people opposing *perestroika* but of workers and peasants remainingpassive observers."

As this passivity ends, assuming it does end, then it will reduce the role of the Communist Party and, ironically, of the intellectual elite, both of which in the past have owed part of their influence to substituting themselves for the rest of society.

Gorbachev seeks to close long chapter in his country's history

BY OUR MOSCOW CORRESPONDENT

THE CENTRAL theme of yesterday's speech by Mr Mikhail Gorbachev was an effort to close a chapter in Soviet history by saying that Soviet society needed to break with the authoritarian tradition developed in the Stalin and Brezhnev years and run its affairs in a new and more democratic way.

His attack on authoritarian political and economic control was sustained throughout his three-hour address, as he spoke of Soviet history, present political and economic reforms and foreign policy.

Another key element in the speech was the presentation of perestroika (restructuring) as the necessary culmination of the way the Soviet Union has developed over the past 70 years, and the fulfilment of its original ideals.

Although some Soviet intellectuals and foreign observers see the failure to rehabilitate Nikolai Bukharin and other victims of the purges as a sign of conservatism, the substance of the address, although lacking dramatic flourishes, is extremely radical.

Overall, Mr Gorbachev tried to explain as well as condemn Stalinism and the type of autocratic state and tightly controlled society which Stalin bequeathed to Mr Nikita Khrushchev and Mr Leonid Brezhnev. But his condemnation of Stalinism was still pronounced and likely to be influential in a country which takes its ideology seriously.

In his examination of Soviet history in the years since the Bolsheviks took power in 1917, Mr Gorbachev was at pains to emphasise that flexibility in doctrine and action, depending on circumstances, was essential to Lenin's success.

Clearly he does not want to see his economic and political reforms attacked as selling out Socialist traditions. He has therefore tried to strike a balance between admitting mistakes and even crimes in the past, but explaining them by saying the Soviet Union needed to "accomplish in a short time what others took centuries to accomplish."

Not surprisingly, he found many lessons in Soviet history supporting present policies. For instance, he praised the New Economic Policy of 1921-1929 initiated by Lenin to allow individual labour and co-operatives to engage in free trade, while heavy industry remained in the hands of the state.

His attack on collectivisation of agriculture, the expropriation of the peasantry by Stalin starting in 1929, was stronger, and his condemnation of Stalin in later years more moderate, than had been expected. Trotsky, second to Lenin during the Revolution and civil war, was condemned and Nikolai Bukharin given ambivalent praise.

By the end of the 1930s, Mr Gorbachev said, the Soviet Union had raised its industrial output above any country in Europe, but at high cost: "People had begun to believe in the universal effectiveness of rigid centralisation."

This militarisation of society, everybody acting on command from above, was boosted by the way the country was industrialised and agriculture collectivised. "An atmosphere of intolerance, hostility and suspicion was created in the country," Mr Gorbachev said.

Speaking of Stalin and the great purges of 1937 and 1938, as well as plots and conspiracies fabricated after the war, Mr Gorbachev said: "It is sometimes said that Stalin did not know of many instances of lawlessness. Documents at our disposal show that this is not so. The guilt of Stalin and his immediate entourage before the party and the people for the wholesale repressive measures and acts of lawlessness is enormous and unforgiveable."

The rehabilitation of victims of the purges had been suspended in the mid-60s, but the politburo had decided to set up a commission to deal with old cases. A new history of the Soviet Communist Party is to be written.

Speaking of Mr Khrushchev, Soviet leader from 1954 to 1964, Mr Gorbachev said: "The failures of the reforms undertaken in that period were mainly due to the fact that they were not backed by a broad development of democracy."

It was this, Mr Gorbachev said, which made perestroika different. In the final years of Mr Brezhnev progress was "largely hampered by an addiction to habitual formulas and schemes." The country had to break with this.

"The democratisation of society is at the core of perestroika," Mr Gorbachev said, while admitting that people were "still timid, act irresolutely, fear responsibility, and are still in the grip of obsolete rules and instructions." He blamed lack of democracy for bureaucracy and abuse of power, worship of rank, waste and irresponsibility.

Diversity of opinion was central to democracy, and democracy central to the success of economic reform, he said. Indeed, one of the most interesting aspects of his speech was the way in which he blamed the centralised command system of running the economy as the root cause of such political failings as lack of democracy and growth of the bureaucracy.

He said the first stage of perestroika - analysing what was wrong and changing people's attitudes - was over. There were also the beginnings of economic improvement, he said, underlining this by announcing that the harvest this year surpassed last year's 210m tonnes, despite wet weather.

"The next two or perhaps three years will be particularly complicated, decisive and in a sense critical," Mr Gorbachev said. The real difficulty, he implied, was that reforms had to be carried out simultaneously in all areas, at the same time as the party, in charge of implementing reforms, was itself being reformed.

Here Mr Gorbachev made what appeared to be a carefully balanced side swipe at both conservatives and radicals within the party. He said conservatives would never say they opposed perestroika, but "they would have us believe they are fighting against negative side-effects."

And then, in what was evidently a reference to the offer by Mr Boris Yeltsin, the Moscow party chief, to resign in frustration at top-level resistance to change, Mr Gorbachev said: "Nor should we succumb to the pressure of the overly zealous and impatient - those who refuse to accept the objective logic of perestroika."

In the second half of his speech, on foreign policy and the future of Communism, Mr Gorbachev sounded assertive and confident. On negotiations on nuclear arms reductions with the US he added nothing new, but did say the Soviet Union had success in "destroying the stereotypes of anti-Sovietism and dispelling distrust of our initiatives and actions."

On relations with other Communist parties, he said that all were completely and irreversibly independent, adding that this had been asserted in 1956 but, in what could be a reference to the invasion of Czechoslovakia in 1968, added: "Old habits were not discarded at once."

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Years of tragedy and triumph

THE FOLLOWING are key excerpts from Mr Gorbachev's speech:

Stalin - Industrialisation, Collectivisation, Purges.

"A conviction had arisen that all problems could be solved at a stroke, overnight. Whole regions and parts of the country began to compete: who would achieve complete collectivisation more quickly? Arbitrary percentage targets were issued from above. Flagrant violations of the principles of collectivisation occurred everywhere.

"Nor were excesses avoided in the struggle against the Kulaks. The basically correct policy of fighting the Kulaks was often interpreted so broadly that it swept in a considerable part of the middle peasantry too ...

"But, comrades, if we assess the significance of collectivisation as a whole in consolidating Socialism in the countryside, it was in the final analysis a transformation of fundamental importance ...

"I am putting things bluntly - those were real crimes stemming from an abuse of power. Many thousands of people inside and outside the party were subjected to wholesale repressive measures. Such, comrades, is the bitter truth ...

Rehabilitation of Stalin's Victims.

"We now know that the political accusations and repressive measures against a number of party leaders and statesmen, against many communists and non-party people, against economic executives and military men, against scientists and cultural personalities were a result of deliberate falsification ...

"But the process of restoring justice was not seen through to the end and was actually suspended in the middle of the Sixties. Now, in line with a decision taken by the October 1987 plenary meeting of the Central Committee, we are having to return to this."

Second World War.

The Western ruling circles, in an attempt to blot out their own sins, are trying to convince people that the Nazi attack on Poland and thereby the start of the Second World War was triggered by the Soviet-German non-aggression pact of August 23, 1939.

"As if there had been no Munich Agreement with Hitler signed by Britain and France back in 1938, with the active connivance of the US, no *Anschluss* of Austria, no crucifixion of the Spanish Republic, no Nazi occupation of Czechoslovakia, and no conclusion of non-aggression pacts with Germany by London and Paris in 1938 ...

Post-War Years and Transition, to Gorbachev.

"Abuses of power and violations of socialist legality continued. The 'Leningrad Case' and the 'Doctors' Case' were fabricated. ... In short, there was a deficit of genuine respect for the people. ...

"It required no small courage of the party and its leadership, headed by Nikita Khrushchev, to criticise the personality cult and its consequences, and to re-establish Socialist legality.

"At the October 1964 plenary meeting of the party Central Committee there was a change of the leadership of the party and the country, and decisions were taken to overcome voluntaristic tendencies and distortions in domestic and foreign policies...

"In the first few years this changed the situation in the country for the better. ... The country had at its disposal extensive resources for further accelerating its development. But to utilise these resources and put them to work, cardinal new changes were needed in society and, of course, the corresponding political will. There was a shortage of the one and the other."

Reform under Gorbachev.

"Two key problems of the development of society determine the fate of *perestroika*. These are the democratisation of all social life and a radical economic reform. ...

"But it would be a mistake to take no notice of a certain increase in the resistance of the conservative forces that see *perestroika* simply as a threat to their selfish interests and objectives. This resistance can be felt not only at management level but also in work collectives.

"*Perestroika* carries on the revolutionary cause, and today itis absolutely essential to master the skill of exercising revolutionary self-restraint."

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India urged by neighbours to change nuclear policy

BY JOHN ELLIOTT IN KATMANDU

FOUR SOUTH Asian countries yesterday indirectly called on India to change its policy on nuclear weapons and on the development of the Himalayan mountain untapped water resources in the interests of all the countries of the region.

Mr Mohammad Khan Junejo, Prime Minister of Pakistan, called at the opening session of the third annual summit of the South Asian Association for Regional Co-operation in Nepal for it to develop a regional agreement on a "comprehensive ban on nuclear explosion tests". He also proposed a "binding instrument" jointly renunciating the nuclear option.

He was backed by King Jigme Wangchuck of Bhutan, who called on the association to take a "united stand" against nuclear weapon development in South Asia and to conduct a "meaningful dialogue".

With a population of about 1m, Bhutan is the smallest member of SAARC and it rarely speaks out against India which broadly controls its foreign policy.

India has been refusing proposals from Pakistan for a bilateral agreement between the two countries on nuclear non-proliferation, partly because it believes this is a wider issue and it is particularly concerned about the nuclear capability of its larger neighbour, China.

Pakistan is assumed by India and other countries to be on the brink of achieving a nuclear weapons capability. India exploded what it called a peaceful nuclear device in the early 1970s and it is suspected to be reactivating its programme because of Pakistan's developments.

The issue of Himalayan water power is sensitive because India has been refusing till recently to talk jointly to its two neighbours most concerned, Bangladesh and Nepal.

President Hussein Ershad of Bangladesh yesterday called for a Multi-purpose Himalayan Water Development Plan covering flood control, irrigation, navigation, hydro-electric power generation, urban water supply and other issues.

By using the summit to pursue these issues jointly the four countries were confirming India's suspicion when SAARC was founded two years ago that the smaller countries would at some time combine against it.

● The Dalai Lama's official representative in Nepal has been arrested during security operations mounted by the Nepalese Government which fears that protest demonstrations by Tibetans and other regional ethnic groups might disrupt the current third annual summit of South Asian countries in Katmandu.

Anxious to impress the visiting leaders from neighbouring countries, King Birendra Shah Dev of Nepal, who rules the country through a consultative form of parliament, has also ordered that the Himalayan tourist haven of Katmandu be cleaned up.

Cycle rickshaws, along with old public transport buses, have been banned from the streets.

The Government is worried that activists involved in one of the region's internal conflicts, including Tamils fom Sri lanka, Sikhs from India, or refugees from neighbouring Tibet who have their headquarters in India, might stage demonstrations or acts of terrorism during the three-day summit which opened yesterday.

Three days ago Mr Paljur Tsering, who represents the Dalai Lama in Nepal and heads a Tibetan Welfare Office in Katmandu, was arrested along with five other prominent Tibetan refugees. Fellow Tibetans expect them to be relased on Thursday after the visiting heads of state have left.

Gadaffi pulls out of Arab summit meeting

BY RICHARD JOHNS

COLONEL Muammer Gadaffi of Libya will not attend the Arab summit scheduled to begin in Amman, Jordan, next Sunday, it was announced in Tripoli yesterday.

He said that the convening of the meeting had been "dictated by America and held specifically to combat Iran and to defend American interests in the Gulf."

It was not clear whether or not he would send representatives to the meeting at which most of the 21 members of the Arab League hope to rally support behind Iraq in the Gulf conflict.

Col Gadaffi said he wanted an end to the Gulf conflict but saw as the priority a conference of Arab leaders concentrating on "combatting America, boycotting France, the liberation of Palestine, the creation of an Arab federation ... and building an Arab atombic bomb."

Any decision by the volatile Libyan leader to absent himself from the meeting could have been prompted by concern about internal security, Western and Arab diplomats suggested last night. They also expressed the belief that the proceedings could only be made smoother by his absense.

The announcement, however, emphasised the difficulties the conference would face in reaching unanimity – the basis for resolutions at such gatherings – on a common stand against Iran or agreement on a joint approach to an international conference on the central Arab–Israeli conflict, the other basic issue confronting the heads of state.

For King Hussein of Jordan, host of the meeting, the willingness of Syria to be represented – presumably by President Hafez al Assad in person – would far outweigh any rebuff by the maverick Libyan leader who is only just edging out of diplomatic isolation through his rapprochement with Tunisia and Algeria.

Syria only agreed to participate when conservative Arab states forming the Gulf Co-operation Council conceded that issues other than the Iran–Iraq war might be discussed. This was made possible by the proposal by King Hussein that the agenda would be "open".

Saudi Arabia, Kuwait and Jordan are looking for strong censure of Iran for its harrassment of Arab shipping in the Gulf, missile strikes against Kuwait and the clashes in Mecca in July during the Hajj pilgrimage. But the United Arab Emirates and Oman, which also belong to the GCC, are unhappy about the possibility of a confrontation with Iran because of their political and economic links with it.

Samira Kawar reports from Amman: Sir Geoffrey Howe, UK Foreign Secretary, ended two days of talks with Jordanian leaders including King Hussein yesterday by renewing his call to the Soviet Union to work toward a ceasefire in the Gulf.

Senegal bows to the shifting sands of monetarism

Nicholas Woodsworth on Africa's most ambitious privatisation plan

DRESSED FOR the office in bright yellow leather slippers and a magnificent sky-blue robe, El Hadj Malik Sy, like most of his Senegalese countrymen, is a traditionalist. Ask him about clothing, prayer or the number of wives a good Muslim should have and he will give you the same answers his great-grandfather would have given.

Question him on money matters and sound government, however, and the slipper is on the other foot - he is as up-to-date about economic reform and state disengagement as any monetarist on either side of the Atlantic.

Senegal economic practice, like the arid Sahel landscape, is undergoing rapid transformation. Where one is being changed by the relentless southward advance of the Sahara, the other, just as inevitably, is being remoulded by the pressures of a changing world economic order. Mr Sy may be traditional in dress, but as director of the newly-formed Commission for State Disengagement in Senegal he stands at the forefront of those changes.

Senegal's moves towards privatisation are part of a wide-sweeping economic liberalisation programme that is one of the most ambitious in the Third World.

The challenges it faces in revitalising the economy are considerable. In domestic terms Senegal still relies on the traditional mainstays of millet cultivation and cattle raising, both hard hit in recent years by the drought in the Sahel.

For export earnings it depends chiefly on groundnuts and phosphates, commodities whose world prices stand at all-time lows. Its 2.3% rate of growth in gross domestic product is one of the lowest in Africa. With a 1985 per capita income of $370 - in real terms lower than in 1960 - Senegal has a long way to climb back to economic health.

Lack of agricultural and mineral potential, however, is counterbalanced by the country's political maturity. The former administrative hub of French West Africa, it had well-developed political institutions, based closely on French parliamentary and administrative models, even prior to independence.

Today the favour it finds in the eyes of Western countries and financial institutions is due largely to its adherence to French democratic principles. With a free press, active trade unions, regular elections, and no fewer than 16 political parties, Senegal is the only democratic multi-party state in Africa.

France's greatest gift to Senegal, however, has also been one of its curses. The gallic republicanism inherited at independence in 1960 brought with it a massive civil administration and the ethic that the state had a preponderant role in the life of every citizen.

With little private capital and none of the financial structures necessary for investment, Senegal in 1960 had little choice but to embark upon a programme of state intervention, investment and subsidy

"It was like an enormous snowball," Mr Sy says. "Once it got rolling, it was almost impossible to stop. In the early 1970s it got right out of control - the government began subsidising unprofitable state agricultural and industrial enterprises on the strength of high world prices for its phosphates. When the market fell we were left holding babies we simply couldn't afford. We are still paying for them now, mostly with credit."

Today the Senegalese parastatal sector consists of 62 wholly or majority-owned enterprises and 24 public agencies. In addition, the state holds an indirect stake in 46 companies, mostly through the banking system.

The cost of these enterprises is too heavy for the Government to bear. Capital participation in parastatals totals more than 35bn CFA francs (£70m) and exceeds 25% of the government's fixed capital. In 1985 parastatal losses were CFA35m and subsidies almost CFA50m. For a country that each year completely exhausts its financial resources on external debt servicing and salary payments to its 38,000 parastatal employees, privatisation of state enterprises is an obvious choice.

Senegalese recognition that its public sector is over-extended dates from 1980, when it initiated its first economic liberalisation programme. Following talks with the International Monetary Fund and the World Bank in 1985, however, the Government has accelerated its disengagement programme and made the promotion of the private sector one of its key structural adjustment policies.

As one of the conditions for the second tranche of a stuctural adjustment loan totalling SDR40m, the Commission for State Disengagement this October announced the sale of its shares in 10 "mixed" enterprises - companies in which the state has partial and in some cases majority holdings. The Government will continue to hold minority shares in four of the companies, but six will be totally privatised.

Ideally Mr Sy would like to see the shares in the hands of Senegalese nationals, but in line with the pragmatism that has come to mark the country's reform programme, it is expected that the majority will go to foreign investors. While firms may be 100% foreign-owned, special incentives will be offered to companies in which there are majority Senegalese holdings.

The 10 companies concerned are in the automotive, light industry, construction, hotelery, advertising and tourism sectors. They were chosen primarily for their saleability and include six out of the 70 companies in Sengal with a turnover of more than CFA1bn. The automotive group,Berliet Senegal, for example, is the largest in the country. The hotels slated for total divestment - the Meridien, the Teranga, and the Club Mediterranee - are respectively the first, fourth, and fifth most profitable hotels in Senegal.

"We are not just following some fashionable foreign trend," Mr Sy says, summing up Senegalese privatisation.

S Africans storm Swapo base in southern Angola

SOUTH AFRICAN forces have stormed a guerrilla base in southern Angola, killing more than 150 Namibian nationalist guerrillas and losing 11 of their own men, defence headquarters in Pretoria announced yesterday, Reuter reports from Johannesburg.

A statement said the "pre-emptive" strike took place on Saturday but gave few details. Nine of South Africa's dead were white, two black.

A brief statement from the military command said the raid had been carried out by a joint force of South African and Namibian (South West African) government troops.

The operation, the biggest since July when 190 guerrillas were reported to have died, was designed to thwart plans by black independence fighters to infiltrate the huge South African-ruled territory of Namibia, it added.

Guerrillas of the South West Africa People's Organisation, who have waged a low-key independence war since 1966, have traditionally used ground-cover provided by the rainy season to cross the Angolan-Namibian border on sabotage missions.

The army statement did not identify the Swapo base attacked, saying merely that it was north of Owambo, Namibia's northernmost province.

The statement did not say whether the South African-led forces met resistance from the army of Angola's Marxist Government, often accused by Pretoria of providing shelter for Swapo fighters.

South Africa has ruled mineral-rich Namibia since capturing the former German colony during World War One. Pretoria has delayed a 1978 United Nations independence plan, insisting on the withdrawal of thousands of Cuban troops from Angola.

The latest fighting hit Angola after government forces launched a major offensive against South African-backed rebels further to the east.

South Africa said last month its forces were in Angola but denied they were there to support the rebel Union for the Total Independence of Angola, led by Jonas Savimbi.

Korean campaign charge

BY MAGGIE FORD IN SEOUL

MR KIM YOUNG SAM,the South Korean presidential candidate, yesterday accused the Government and the ruling Democratic Justice Party of involvement in a violent attack on his fellow opposition candidate Mr Kim Dae Jung.

The incident, in which around 100 people attempted to storm the hotel in which Mr Kim was staying, breaking windows and injuring several aides, took place after a campaign rally held in Pusan, the industrial capital of South Korea on Sunday night.

The city is generally believed to support Mr Kim Young Sam, who comes from the area, but Mr Kim Dae Jung drew a sizeable crowd at his rally. The attackers,shouting "Kim Young Sam for president" were eventually dispersed by riot police more than an hour after they appeared at Mr Kim's hotel.

Both candidates have pledged not to appeal to regional rivalries in their campaigns, and observers at the rally said it was peaceful. Supporters of Kim Dae Jung had earlier complained, however, that posters had been torn down and later said that the police were very slow to arrive after the attack on the hotel.

Taiwan sees queues for China visits

By Bob King in Taipei

THOUSANDS OF people living in Taiwan packed the offices of the Red Cross yesterday as the organisation began to accept applications for the first permitted visits to China in 38 years.

Queues of applicants stretched around the block, and some said they had been waiting since 3 am for the Red Cross offices to open. The Taiwan Government, in a big reversal of policy on contacts with China, last month approved the visits by those who have immediate relatives there. It required, however, that residents who wish to travel to China register with the Taiwan Red Cross.

In fact, many have already returned clandestinely to China in recent years, and many others are expected to continue to do so without the registration procedures.

Most preparing to leave have not seen their families and friends in China since 1949, when the communist victory forced partisans of Chiang Kai-shek's government to flee to Taiwan. Since then, Taiwan has maintained a policy of "no contact, no negotiation, and no compromise" with Peking.

Taipei ended its opposition to China visits obstensibly for humanitarian reasons. But its new attitude also stems from increased self-confidence and the expectation that visitors to China will carry word of vastly-different living standards on this side of the Taiwan Straits.

Indonesians die in protest over crash helmets

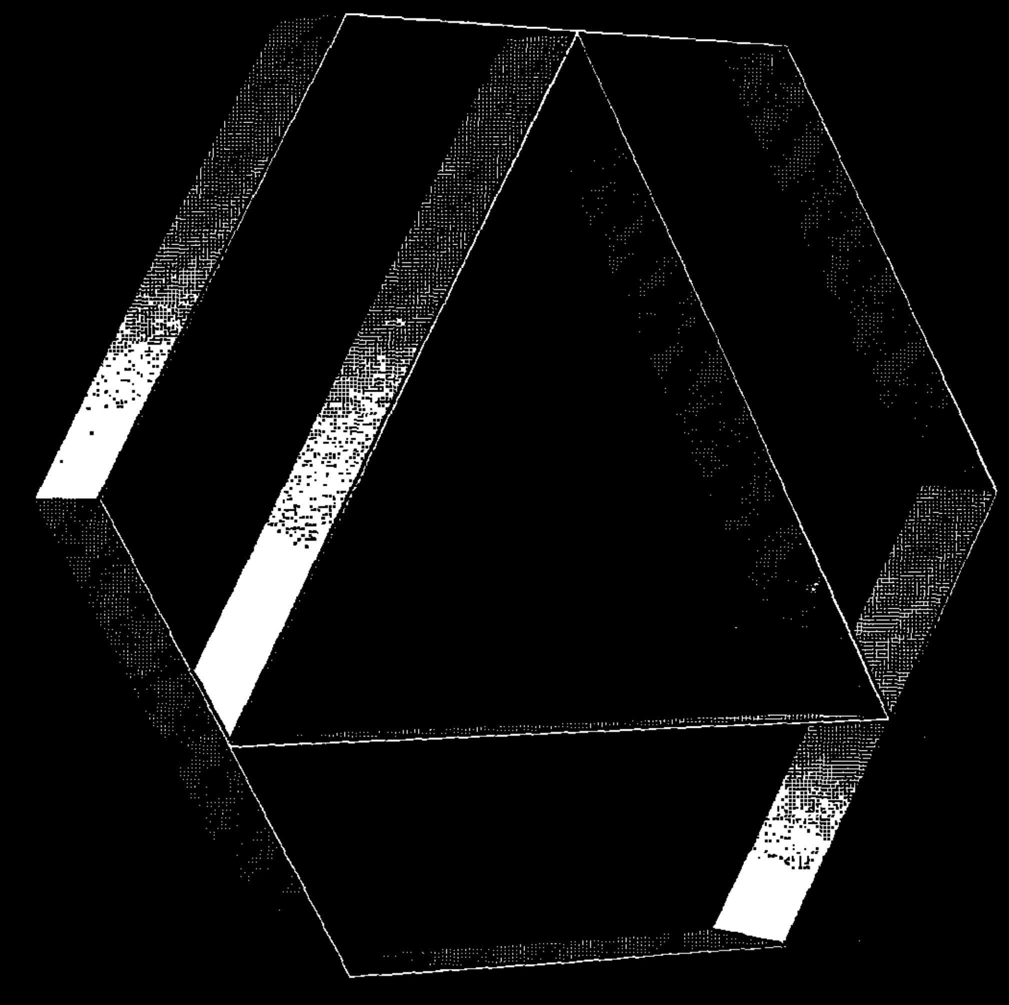
By John Murray Brown in Jakarta

TWO PEOPLE were killed and 13 injured when Indonesian security forces clashed with thousands of students over the weekend, protesting against the enforced wearing of motor-cycle safety helmets. The incident in Ujungpandang in East Indonesia occurred when police fired warning shots into a crowd and some were hit by stray bullets, a police spokesman said.

Police confirmed that troops with tanks and armoured personnel carriers had been used to seal off areas of the town, the provincial capital of South Sulawesi, in what is the first civil unrest in several months. It precedes the presidential elections next March when President Suharto is expected to be confirmed in a fifth term.

Gen Benny Murdani, the armed forces commander, commenting yesterday, was quick to play down the disturbance by what he called "irresponsible youngsters", saying the army "was forced to take firm action after students burned police motor-cycles and threw stones at security guards".

Students in North Sumatra took to the streets earlier this year objecting to higher tuition fees.



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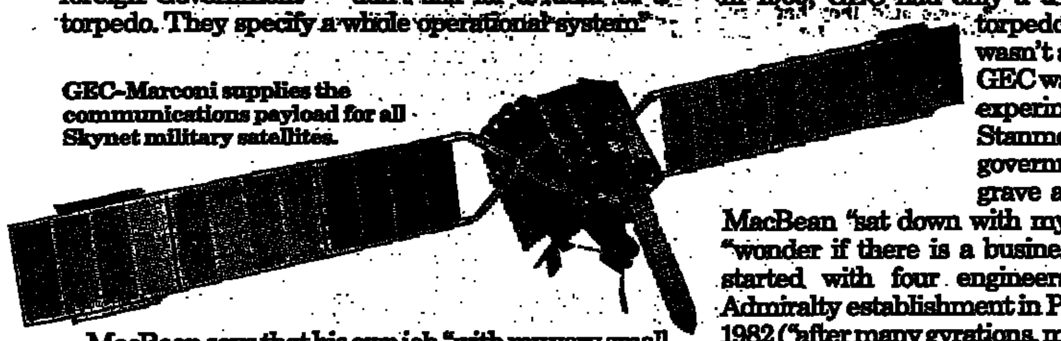
The Defending Champion

Ian MacBean's new company began life with £2 billion of sales, some of Britain's top technology and world trade, which as he tells Robert Heller includes U.K. exports that boomed to £600 million – from "almost zero."

Dr. MacBean, Managing Director of GEC-Marconi Limited. *Photography by Terry O'Neill.*

NOT often is a new company born with £2 billion of sales, "as near as makes no difference." The words come from Ian MacBean, who recently put the finishing touches on GEC-Marconi – a reorganised giant which brings nearly all the General Electric Company's defence business into one group that is crammed with some of Britain's most advanced technology. Four-fifths of the new grouping's sales are defence-related. Half of the UK output now goes into a world market where, in the mid-seventies, GEC's presence, says GEC-Marconi's managing director, was negligible.

Dr MacBean, now 55, has been working in GEC, and in defence, for the past 30 years, all of them based at Stanmore: "either I'm very lucky or I'm stuck in the mud." Those three decades, though, have seen prodigious upheaval, both in the defence market and in GEC's defence business. The two changes are closely related. Today the customers – whether they are the Ministry of Defence, the Pentagon or another foreign Government – "don't ask for a radar or a torpedo. They specify a whole operational system."



GEC-Marconi supplies the communications payload for all Skynet military satellites.

"From the seabed to 22,000 miles above the earth."

MacBean says that his own job "with my very small staff is to see that the customer's requirements are met" by coordinating his sixteen operating companies: each, in classic GEC fashion, a separate business with its "own set-up and managing director," responsible for all functions – financial control, marketing, research and development, the lot. The business, as MacBean says, "has always been based on having the best technology available." That's now costing around £450 million a year; 80% of that is provided by the customer, "a very substantial help," as MacBean drily observes – but a good deal less substantial than the 95% of the past.

"Long-term that will not impact profits if we produce good products that sell." In other words, the similarities between GEC's defence business and its civil work have greatly increased – indeed, "we are concentrating on expanding civil sales" (currently some 20% of the business). The "technology which defence gives us" is by definition in the scientific vanguard, and MacBean's company will either use it "where we know the markets or supply it to other parts of GEC."

DESPITE MacBean's involvement in defence ever since starting his career at Stanmore (as a development engineer in microwave systems), his first major step in 1964 was a move towards civil work. He was asked to set up GEC's first entry into satellite communications; as a divisional manager with a staff of one – himself.

MacBean helped build the business from "the ground floor up" towards the stars. The company built all the equipment for Britain's first satellite ground station at Goonhilly in what became an "on-going and fairly flourishing business. But it never quite took off the way our early pipe-dreams imagined."

That is an occupational hazard of high technology, and MacBean has had plenty of consolations – as in the remarkable tale of "one of my first loves." In 1969, GEC had only a trivial involvement with torpedoes – indeed, "there wasn't a UK torpedo industry." GEC was doing "very low-level experimental work" at Stanmore. But with the government's programme in grave and obvious difficulties, MacBean "sat down with my boss" and started to "wonder if there is a business in torpedoes." What started with four engineers going down to the Admiralty establishment in Portland had become by 1982 ("after many gyrations, much hassle") a business turning over some £200 million.

GEC-Marconi is now Britain's main supplier of torpedoes. MacBean has a particular reason for citing its Stingray programme. At the end of the Seventies, Stingray was not making progress, and "we were impotent to do anything about it." The management sat down with the Navy and after prolonged negotiation arrived at "a firm agreement, management control and a fixed price." The result was a weapon "highly satisfactory in operation" and "one of the most successful procurement programmes ever undertaken."

MacBean sums up: "we did a sound job and made reasonable money" – even though in 1978 Stingray was "in a similar position to Nimrod. It was late, over-cost and beset with technical difficulties."

"Half of the UK output now goes into a world market."

MacBean's analogy with the torpedo saga is self-evident: GEC should have insisted on taking full charge of Nimrod in the same way. In future, "the large programme in which our degree of management control is very limited will not be repeated. We won't go willingly down that path."

That vital lesson apart, Nimrod is "no longer an issue as far as we are concerned. It is a thing of the past. We are pursuing the remainder of the business in a very successful way." In this pursuit, MacBean concentrates on looking after the management and motivation: "My job is to give maximum freedom, but hopefully to guide the whole thing." Although MacBean is a technologist, and "defence is as near to technology-push business as GEC gets," his involvement is far less with the technology (which has left him "far behind," despite his PhD) than with the new business opportunities – for main example, abroad.

"The biggest supplier of HUD's in the world."

In working up from the "almost zero exports" of 1975, "we've had to learn how to market on a world-wide basis." There is clear evidence that the learning has been effective from the United States, where GEC has used every available route to become one of the top 100 suppliers to the Department of Defence. That adds up to $200 million a year and to a very positive achievement, given the inherent difficulties such as the power of immensely strong local defence manufacturers. One solution to the problem of beating 'em, however, is to join 'em, hence the recent purchase of defence interests from Lear Siegler in the US.

GEC-Marconi can also crack this literally well-defended market by unique excellence of product, as in HUD – the "head-up displays" which project flight information in front of a fighter pilot's vision. MacBean's company is "the biggest supplier of HUDs in the world." Avionics is a business where technology is often common for both military and civil applications, though in most cases technology transfer from war to peace is notoriously "not easy to do." To achieve it involves manipulating something MacBean much admires – "the GEC style of autonomous operating companies." Today, he sees "much greater determination" among his fellow managing directors to turn the mutual autonomy into a strength by exploiting technology transfer.

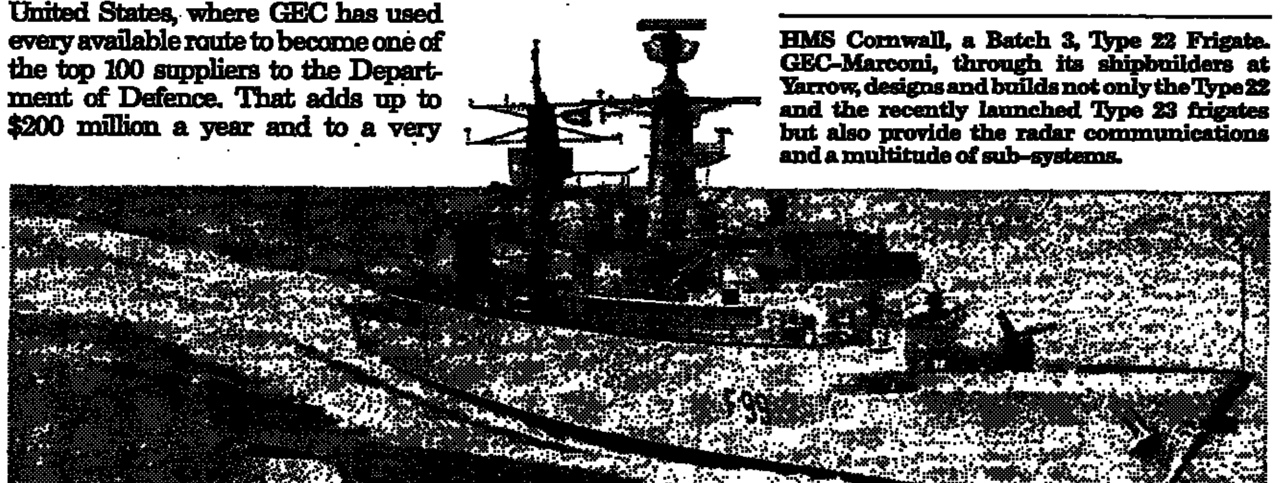
MacBean, of course, has to keep technology transfer flowing within his own operating companies: the new GEC-Marconi structure is designed to take full advantage of their combined strengths more effectively than in the past.

"The business has always been based on having the best technology available."

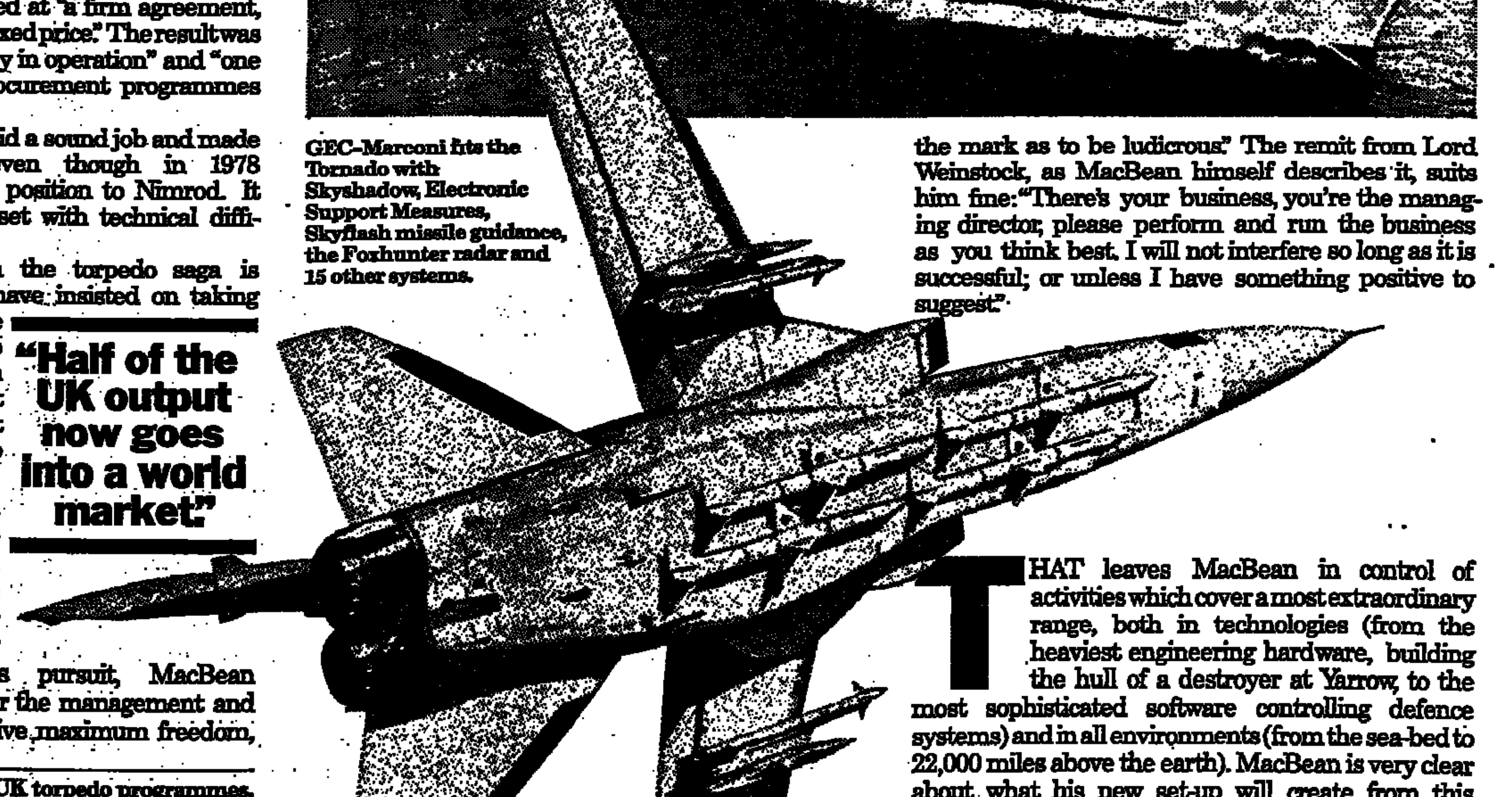
"We'd reached a watershed": GEC defence businesses that were "very, very successful in their own right" had to "spend a lot of time fighting people who were much bigger. To tackle world markets and fight on, we had to be on equal terms with major competitors."

Since he took over his current job 18 months ago, MacBean has therefore been working "to turn the whole thing into a coherent group." The overriding idea is "to maximise total capability: to bring together individual units to be in a position to take on major projects as prime contractor" in one of the world's most competitively challenging businesses.

The challenge can be measured in jobs as well as with money. If a business grows by "under 15% per annum compound, it will have to shed people." Heavy investment in automation is mandatory: "the sole aim is to manufacture at a low enough cost so that we can sell competitively." MacBean's own bosses at Stanhope Gate accept the necessities: "I can't remember anybody ever saying, no you can't invest in new capital equipment. That is so wide of the mark as to be ludicrous." The remit from Lord Weinstock, as MacBean himself describes it, suits him fine: "There's your business, you're the managing director, please perform and run the business as you think best. I will not interfere so long as it is successful; or unless I have something positive to suggest."



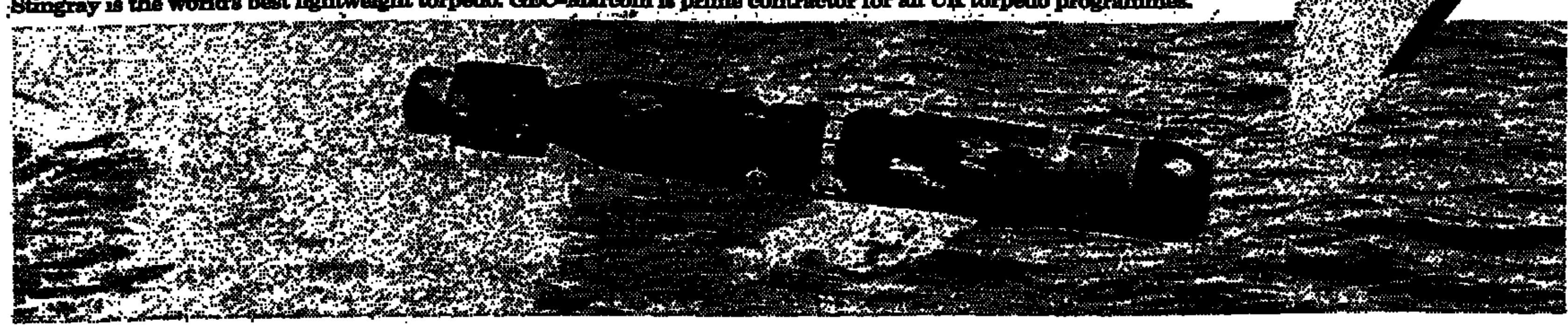
HMS Cornwall, a Batch 3, Type 22 Frigate. GEC-Marconi, through its shipbuilders at Yarrow, designs and builds not only the Type 22 and the recently launched Type 23 frigates but also provide the radar communications and a multitude of sub-systems.



GEC-Marconi fits the Tornado with Skyshadow, Electronic Support Measures, Skyflash missile guidance, the Foxhunter radar and 15 other systems.

THAT leaves MacBean in control of activities which cover a most extraordinary range, both in technologies (from the heaviest engineering hardware, building the hull of a destroyer at Yarrow, to the most sophisticated software controlling defence systems) and in all environments (from the sea-bed to 22,000 miles above the earth). MacBean is very clear about what his new set-up will create from this extreme diversity: "customer and public perception of how powerful GEC-Marconi is, and what potential it has – especially round the world."

Stingray is the world's best lightweight torpedo. GEC-Marconi is prime contractor for all UK torpedo programmes.



Robert Heller is Editor-in-Chief of Finance Magazine.

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US frigate fires on suspected Iranian gunboat in Gulf

BY OUR FOREIGN STAFF

A US NAVY guided-missile frigate fired on a suspected Iranian gunboat that approached at high speed in the Gulf on Sunday, the US Defence Department said yesterday.

This is the first reported incident in which US forces have fired on Iranian craft since the US destroyed an Iranian offshore oil platform on October 19.

Helicopter gunships attacked four Iranian patrol boats on October 8 after they allegedly fired on a surveillance helicopter and on September 21 gunships hit the Iran Ajr, which the United States said it caught laying mines in international waters.

The Pentagon said Sunday's incident occurred close to Abu Musa Island, identified by the Pentagon as a base for Iranian gunboats, near the neck of the Gulf. Three boats - a traditional Gulf dhow and two speedboats - headed toward the US merchant ship the MV Patriot as it was leaving the Gulf escorted by the USS Carr, a guided-missile frigate.

Having tried to contact the boats, but with no response, 'the Carr fired warning shots at one of the suspected Iranian vessels when it began an apparently hostile run towards the US-owned (and) operated Patriot,' the Defence Department said.

The Patriot was described as a chartered military supplies vessel serving the 30-ship American fleet in the Gulf.

The gunboat subsequently broke off its approach, the Pentagon added, and the Carr and the Patriot continued on their way.

The Pentagon said it was not immediately clear whether the Carr had hit the patrol boat with its machine gun fire.

Fresh problems loom on Supreme Court choice

BY NANCY DUNNE IN WASHINGTON

HEARINGS on the nomination of Judge Douglas Ginsberg to fill the vacant seat on the US Supreme Court are unlikely to begin before December, despite efforts by President Reagan to prod the Senate into swift action.

With Congressional investigators piecing together information about the little-known 41-year-old nominee, the President's second choice for the job, questions have surfaced which could spell difficulty for President Reagan.

Judge Ginsburg will have explaining to do about his decision, as Assistant Attorney General in charge of antitrust matters, to help a cable television operator win a free speech case before the Supreme Court. At the same time, records reveal, he held stock worth $140,000 in another cable company, which stood to profit by a favourable Supreme Court ruling.

Conservatives, who have been expected to form Judge Ginsburg's strongest constituency, may be alarmed by another report made public over the weekend that the judge's wife, Dr Hallie Morgan, performed abortions in 1980, during her medical training and before their marriage.

President Reagan has reportedly threatened to call Congress back from its winter adjournment unless the nomination gets early consideration.

Critic of Panama human rights abuses shot dead

A SUPREME Court justice who frequently criticised human rights abuses under Panama's military-backed government has been shot dead, Reuter reports from Panama.

Justice Camilo Perez, 58, was shot twice in the chest on Saturday by a security guard in downtown Panama City in circumstances which the judge's relatives are challenging.

Police and Panama Defence Force officials said they were probing the incident but could provide no details. According to the police statement, the security guard was on duty when the judge approached, punched him and pointed a pistol at him.

It said the guard tried to defend himself with a nightstick but lost it in a scuffle and then shot Perez twice, hitting him in the chest.

Mr Perez had opposed alleged human rights abuses under the government of the de facto military ruler General Manuel Antonio Noriega, and he often abstained from voting on such cases in the Supreme Court.

Argentine unions mass for strike

By Tim Coone in Buenos Aires

ARGENTINA is again riding a wave of industrial action by the trade union movement. Government efforts to put together a "governability pact" with opposition political parties have become bogged down in a welter of confusion over future economic policy.

Transport and industry throughout the country is expected to be paralysed from midday tomorrow as scores of powerful trade unions have announced their support for a 12-hour general strike called for by the General Confederation of Workers (CGT) in repudiation of the Government's economic policy.

The general strike will be the ninth organised by the CGT since President Raul Alfonsin came to power in December, 1983, and follows a new prices and wages freeze announced by the Government last month and a series of new economic measures designed to drastically reduce the fiscal deficit.

The release of October's inflation figures in the coming days (retail price increases are thought to be in the region of 20 percent for the month) are expected to unleash a new round of wage demands and industrial action by the unions. The Government's economic management has been widely blamed for its defeat at the mid-term elections last September.

In an effort to head off the trade unions, the Government has been sounding out the opposition parties in the past two weeks with a view to negotiating a "governability pact" in which support for legislative initiatives on tax and local government finance issues is being sought in exchange for government concessions over the control over certain key committees in the Congress.

Next month, when the newly-elected legislators take their seats, the ruling Radical Party will no longer hold an absolute majority in either of the two chambers of the Congress, necessitating deals with some or all of the opposition parties.

The scope for negotiation, however, was greatly reduced when Mr Juan Sourouille, the Minister of Economy, said at the end of last week that the Government's economic policy "is not negotiable". This produced a barrage of protests from the CGT and the principal opposition party, the Peronists, which see any future political pact or truce being founded upon substantial shifts in economic policy, especially regarding incomes and the negotiation of the foreign debt.

Mr Sourouille's statement was then denied by Mr Enrique Nosiglia, the Interior Minister,

OBITUARY

Doughty fighter for French Canadians

BY ROBERT GIBBENS IN MONTREAL

Rene Levesque: opponent of Pierre Trudeau

RENE LEVESQUE, Premier of Quebec from 1976 to 1985 and doughty opponent of former Canadian Prime Minister Pierre Trudeau, died on Sunday evening in hospital after a heart attack. He was 65.

Mr Levesque, a formidable orator with an unfailing ability to control emotional crowds, was a major figure on the Canadian political stage during the 1970s and early 1980s, when he sought "attached sovereignty" for Quebec. He avoided the term "separatism."

He fought a dramatic battle with Mr Trudeau over their opposed visions of Canada. In Mr Trudeau's view, Canada needed a strong benign central government providing bilingual services coast to coast and keeping the provinces in line. Mr Levesque, raised in a mixed Anglo-French town in Eastern Quebec, never forgot his own jest that English and French in Quebec were 'like scorpions in a bottle.'

Mr Levesque, a war correspondent for the US forces in Europe in 1944-45, and later in Korea for the Canadian Broadcasting Corporation, entered politics in 1960 and became Energy Minister in the Liberal government of Premier Jean Lesage.

He played a leading role in the re-election of the Liberals in 1962 and in the 'Quiet Revolution' that transformed Quebec from a mainly rural into a modern society.

Mr Levesque was expelled from the Liberal party in 1967 for his independent views, and he spent the next few years trying to weld together a dozen Quebec separatist groups into a political party that could win at the polls.

His coalition Parti Quebecois party was badly mauled by the Liberals under Premier Robert Bourassa in the 1970 and 1973 provincial elections, but severe economic and labour problems gave him his chance in November 1976. Mr Levesque's victory began an exodus of anglophone head offices from Montreal.

In 1979, after months of noisy hearings, the PQ government passed Bill 101 to protect the French language in Quebec. The controversial bill, with many of its clauses still before the courts, changed the face of anglophone Montreal by making English language commercial signs illegal.

Mr Levesque won a second term in 1981 after failing to win a referendum on sovereignty for Quebec. The referendum was Mr Levesque's first major defeat at the hands of Mr Trudeau. He fudged the question in the referendum fearing outright rejection by a weary Francophone electorate, and Mr Trudeau with several of his Francophone Federalists gave the coup-de-grace in the final days of public meetings

Mr Trudeau went forward with his proposal to repatriate the Canadian constitution in 1981 and 1982 with or without Quebec's approval. A deal seemed near, giving Quebec a clearer degree of autonomy, but at the last minute the terms were changed and Quebec lost its traditional power of veto over constitutional change. Mr. Levesque had been out-manoeuvred by Mr Trudeau and the other Provincial Premiers, and he had no option but to refuse to sign.

Mr Levesque had increasing problems holding his government together, after his defeat on the constitutional issue in 1982. Crisis followed crisis despite his continuing personal popularity with the people. He resigned as party leader in 1985 around the time that Mr Trudeau also left federal politics.

The PQ, under Mr Levesque's successor Pierre Marc Johnson, went down to ignominious defeat at the hands of the Liberals under Mr Bourassa in December 1985. The Francophones said clearly they were tired of the independence fight and wanted to carve a better economic role for Quebec in North America.

Ironically, the question of Quebec's relation to the constitution seems now to have been resolved by the Meech Lake Agreement, the result of a compromise between Conservative Prime Minister Brian Mulroney, Quebec's Liberal Premier Mr Bourassa and the other provincial premiers which gives Quebec the status of a distinct society within the Canadian confederation.

Deborah Hargreaves reports on the outcome of a 19-day teachers' strike

Chicago schools set out to reform their ways

Washington: schools a pet project

THE 19-DAY Chicago public school teachers' strike last month gave new impetus to demands for reform of the inner-city school system and brought together a diverse coalition of politicians and concerned parents.

The agreement settling the strike, the longest ever by Chicago teachers, included a call for the implementation of basic educational reforms.

Reform of the sprawling Chicago public school system has long been a pet project of Mr Harold Washington's city administration. Chicago's Democrat mayor set up an education summit just over a year ago to forge links between schools and local businesses, although so far the organisation has been little more than a talking shop.

Teachers, who say they have long been pushing for reform, are doubtful the new initiative will achieve much. "Many parents are very angry," says Mr Chuck Burdeen of the Chicago Teacher's Union, "but we have to wait and see if they can turn that anger into solid reform."

However, the new 50-strong, parent-community council being set up by the mayor's office is charged with making recommendations for reform within 120 days.

It intends to hold a series of public meetings in school districts around the city to gauge the feelings of as many parents as possible. Reformers say their priorities are to involve more parents in school decisions and to make the school board more accountable in its spending policies.

In the first of the public meetings about 1,000 people packed into an auditorium at the University of Illinois. Parents and administrators were outspoken in the need to provide additional funds for "revolutionary change" in Chicago's schools.

But they face an uphill struggle to wrest more money for Chicago's city schools from the Republican-controlled state legislature.

The Chicago public school system costs about $680m a year, with 42 per cent provided by the Illinois state legislature and the rest by the city. Mr Washington has been quick to point out that the city's 58 per cent is an unfair burden. But the state administration in Springfield has been reluctant to make the unpopular tax increases it claims would be necessary to provide more money for Chicago's schools. (The Chicago system differs from other metropolitan areas, which are funded solely by their respective city halls.)

Teachers pushed for reform as part of their contract negotiations, winning extra money to reduce class sizes in certain under-achieving and overcrowded elementary schools, where there can be as many as 35 to 40 pupils in each class. But the contract also provides for 1,700 lay-offs to finance the pay rises.

The new contract was supported by about 60 per cent of teachers balloted. It provides a 4 per cent pay rise this year and 4 per cent next - far below the 10 per cent this year and 5 per cent next for which the union pushed. Furthermore, the contract does not restore four days lopped off the school year in a bid to cut costs.

What the strike may have done is to give the state legislature a chance to push through a decentralisation plan for Chicago's public schools it has debated for the last 10 years. It has proposed breaking up the vast system, which covers 430,000 pupils and 42,375 employees, into either four geographical sections or 20 mini-districts.

Advocates of decentralisation argue that it would give parents a chance to have a say in the system. But the teachers' union fears it would end up multiplying the already unwieldy bureaucracy of 4,000 administrators.

The public school system is run by an 11-member school board, composed of appointed members who serve for four years. The board decides ultimately where its annual budget will be allocated.

In the past, the school board was seen as very much the result of a wide system of political patronage—its members are appointed by the mayor, but it operates as a separate entity and, once appointed, is not accountable to any higher authority. Mr Washington is now toying with the idea of elections for school board members, but sceptics doubt these will be introduced.

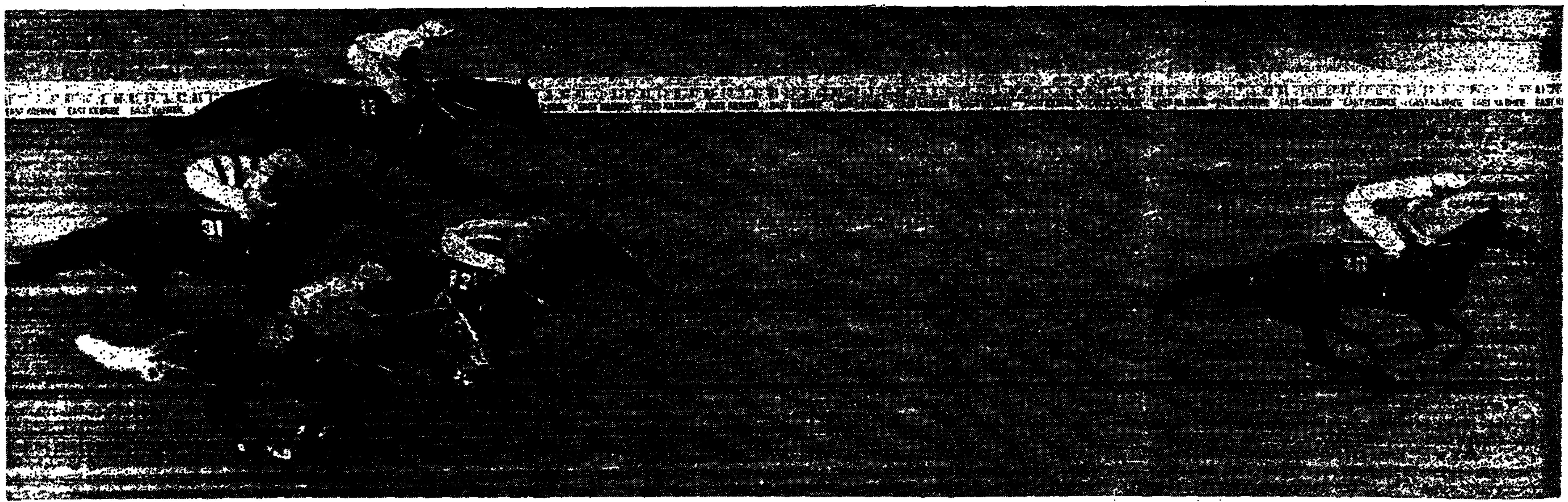
Other reformers are calling for parents' advisory committees to be elected at individual schools and to meet regularly.

Meanwhile, many students have been voting with their feet. Some parents, distressed at the long history of strikes in Chicago, are tightening their belts to pay more than $4,000 a year for private education for their children. Many private schools in the Chicago area have reported an increase in applications in what educators have dubbed the "bright flight" from the public school system - private schools often have tough entrance requirements.

On top of this, the drop-out rate appears to have picked up from an already high 40 to 50 per cent. Teachers estimate that 5,000 additional students dropped out during the strike as many pupils found jobs and failed to return.

But the teachers' drop-out rate is almost as high as that of the students, Mr Burdeen claims. "Teachers and support staff are demoralised at having to fight to hold onto their salaries year after year," he says.

Less senior teachers are the most vulnerable to lay-offs in the current round of cuts, but these are exactly the sort of teachers the system needs to keep, Mr Burdeen says, as they still have some enthusiasm for the job.



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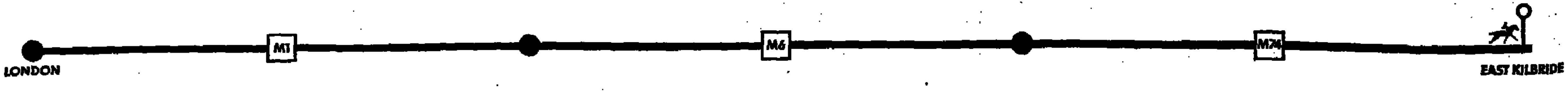

Portuguese seek to close Italy trade gap

By Diana Smith in Lisbon

PORTUGUESE manufacturers are so worried by the rapidly-expanding trade gap with Italy that they have asked the Cavaco Silva Government to intervene.

The deficit has soared from Es30bn ($210m) in 1985 to Es70bn ($490m) in 1986 and Es57bn ($400m) in the first half of 1987. The rate of coverage of imports by exports declined from an already-modest 56 percent in 1985 to a weak 38 percent at the end of June, 1987.

Cavaco Silva: urged to intervene

Italy has always sold more to Portugal than it has bought. The two economies are, unfortunately for Portugal with its weaker industrial base, not complementary. What Portugal excels at exporting – textiles, footwear and wine – Italy not only has in abundance but exports itself.

Since Portuguese accession to the EC in 1986, the energy with which Italian manufacturers availed themselves of newly-opened doors has been almost as dazzling as that of Spain, which shot in a few months from far down the list to the position of Portugal's second largest supplier after West Germany.

However, while Portuguese manufacturers have found growing outlets for a wide range of goods in Spain and steadily built up exports there, they have not been as lucky in Italy.

Italian exports to Portugal have risen from Es54bn ($375m) in 1984 to Es112bn ($790m) and Es82bn ($575m) this January-June, Portuguese exports to Italy have grown more timidly from Es33bn ($230m) in 1984 to Es41bn ($290m) last year and a slightly stronger Es25bn ($175m) in the first half of 1987.

Among major Italian growth items are fibres, machinery and equipment for the textile and leather industries. In the north, the heart of the textile and footwear industries, the Italians have persuaded many manufacturers to buy new machinery with a shorter useful life than traditional long-lasting equipment from northern European suppliers.

"Buy a cheaper machine. It may have a shorter life but it won't be obsolete within a few years," is their sales pitch.

Sales of Italian vehicles and tractors have also soared with Portugal's economic recovery. They reached Es10bn by June.

Portugal's main exports to Italy are pulp (Es2.8bn), vegetable oils (Es2bn), wine (Es1bn) and bed or table linens.

William Dullforce looks at the problems which lie ahead for negotiations on agricultural products under the latest Gatt round

Big farm exporters jockey for position at trade reform talks

WITH LAST week's cautious proposals from the European Community, all the big farm exporters have now staked out their positions in the negotiations within the General Agreement on Tariffs and Trade on the reform of world agricultural trade.

In July the US tabled a sweeping proposal for the total abolition of all export subsidies and import barriers to farm products by the end of the century. The EC's far more cautious approach excludes the elimination of subsidies and insists on the retention of its double pricing (external and internal) regime for farm products.

The 13 nations of the Cairns Group, which includes Canada, Australia and a number of leading Third World producers, submitted the most detailed programme, largely agreeing with the US on a 10-year phasing out of all government supports that distort trade.

All three proposals recognise the need for urgent action to stop further deterioration of a situation in which the two biggest traders, the EC and the US, are each spending about $26bn a year on subsidies that create massive surpluses, depress prices and frustrate efficient producers.

Even the US, impatient of transitional measures that might hamper progress towards its final objective of a free market for agricultural trade, has advocated a freeze on export subsidies at their present level.

A freeze, together with an understanding on the responsible management of stocks, form part of the short-term measures proposed by the Cairns countries. They also want an across-the-board cut in subsidies to demonstrate political will.

Suggestions for short-term action make up the larger part of the EC proposal. It looks for agreements on minimum export prices for cereals and on reductions in the quantities of sugar placed on the world market.

These would be complemented by cuts in supports for cereals, rice, sugar, oilseeds, dairy products and beef, negotiated on an equitable "burden-sharing" basis.

The European Commission regards its more modest approach as closer to political and commercial realities than the ambitious programme of the US or even the Cairns Group's proposals.

Mr Guy Legras, the Commission's director general for agriculture, argues that it is impossible for the Community with its 11m farmers to do away with all protection. Farmers could not be left defenceless against currency fluctuations or other unpredictable changes that could cause serious commercial and social problems.

The EC approach outlined in Geneva aroused the suspicions of the other big farm exporting nations. To them it smacked too much of the quick fix, which, if once agreed, would reduce pressure for fundamental reform.

Argument in the Gatt negotiating group is now bound to focus once again on timing. Negotiators have to reconcile the need for short-term action with the objective of long-term reform at the centre of Gatt's current trade-liberalising Uruguay Round.

Clayton Yeutter: US Special Trade Representative

Cairns Group spokesmen were particularly emphatic on this point. Emergency measures could be applied only when there was provisional agreement on a long-term framework of rules for agricultural trade, they argued. The 13 would not settle for early relief based on ad hoc treatment of symptoms, Mr Alan Oxley, the Australian delegate, said.

Mr Michael Gifford, Canada's trade negotiator, criticised the idea of agreeing a small package of deals that would make only a dent in the farm trade problem. All countries, all commodities and all trade distortions had to be on the table.

The market sharing implicit in the EC's proposed minimum export prices for cereals was severely criticised by developing countries and in a joint statement by Mr Clayton Yeutter, the US Special Trade Representative, and Mr Richard Lyng, the US Agriculture Secretary.

They described the EC proposal as a list of schemes to increase the role of governments, expand the scope of export subsidies and carve up the world marketplace among existing big players.

This torrent of criticism reflects a fear that the EC could sidetrack the Gatt farm negotiations into concentrating on short-term relief measures and a commodity-by-commodity approach that would leave the fundamental issue of rules for agricultural trade untouched.

However, the criticism is allayed by general recognition of the 12 EC members' achievement in agreeing on a farm reform proposal.

It is acknowledged that the EC has come a long way in a short time towards accepting the need for reform. Imprecise as it may be on detail, the Community proposal does foresee a "significant, concerted reduction" in farm supports, an increase in the sensitivity of agriculture to market signals and a greater use of direct aids to farmers.

Moreover, the Gatt talks are so far on schedule. In the four-year timetable extending to the end of 1990 for completion of the Uruguay Round, the first phase, in which proposals for the reform of farm trade were to be submitted and subjected to a preliminary examination, should be completed this year.

Japan and the Nordic countries, whose highly protected farmers make them a special case along with Switzerland, have promised to table proposals at the meeting of the negotiating group in December. They can be expected to take a similar line to the EC.

The next staging post will be the mid-term review by trade ministers towards the end of 1988. By then the negotiations will need to show some preliminary results to maintain their credibility.

But the achievement of any results will depend on negotiators being able to reconcile the insistence of the US and the Cairns Group on making the abolition of subsidies the final objective of the talks, with the EC's demand for a step-by-step reduction of farm supports without the declaration of a final objective.

Arianespace in FFr15bn launch vehicle order

BY PETER MARSH

ARIANESPACE, the company which sells satellite launches on Western Europe's Ariane rocket, plans to place a FFr15bn ($1.5bn) contract for 50 launch vehicles in one of the biggest orders Europe's space industry has seen.

The contract is due to be placed next year with a group of about seven European aerospace companies. Arianespace, which is largely privately owned but in which the French government has a 34 per cent stake, said yesterday the order would give it the chance greatly to simplify its procurement procedures.

Up to now, Arianespace has contracted for parts for its rockets with separate aerospace suppliers, involving it in countless negotiations with dozens of manufacturers. 'At the moment, we order two launch vehicles a year and receive a bill roughly every hour,' Arianespace said yesterday.

The new order will also be the first time the company has placed contracts for rockets in batches any bigger than eight, underlining its increased confidence about future space operations.

The companies likely to benefit from the order, which will involve rockets to be launched between 1991 and 1997, are Aerospatiale, Matra and SEP of France, MBB of West Germany, Britain's British Aerospace, Contraves of Switzerland and SNIA-BPD of Italy.

All will be given orders from Arianespace for specific sections of Ariane rockets, leaving the company itself to deal with subcontractors for each major part.

The company to be most affected by the change will be Aerospatiale, which has the job of building the first and third stages to the rockets - the biggest single package under the new arrangements for splitting up the work.

According to Arianespace, the new procurement policy should shorten lead times and cut costs. Under the procedure, a single Ariane should take two years to build, compared to three and a half years now.

All the rockets to be built under the new contract are of the Ariane-4 type, the first of which is to be launched next year.

Ariane-4 is to be built with additional boosters strapped to its first-stage fuel tank, so giving it extra thrust and the capability to lift into orbit larger satellites than the existing versions of Ariane, which so far has made 19 launches, 15 of them successful.

Bank of Tokyo to sign loan accord with Peking

THE BANK of Tokyo will sign a business tie-up agreement with China Trust and Investment Corp for Foreign Economic Relations and Trade (CTICFERT) in Peking, a bank spokesman said, Reuter reports from Tokyo.

CTICFERT, which was set up with 150 mn yuan in Peking in September to sub-lend foreign government loans to China, is owned by the Ministry of Foreign Economic Relations and Trade, he said.

Under the agreement, the bank will help CTICFERT to seek foreign loans and investment.

● Mr Kaysone Phomvihane, chief of Laos' Communist Party, has met Soviet leaders and reached agreement on increasing the efficiency of economic ties between the two countries, AP reports.

US, Mexico to sign trade pact

BY NANCY DUNNE IN WASHINGTON

THE US and Mexico are to sign on November 6 a trade and investment pact which could lead to new market openings.

The framework agreement sets up a formal consultative mechanism to resolve bilateral disputes and establishes several working groups to discuss trade and investment problems, ranging from steel to textiles to intellectual property rights.

The pact has been hailed by conservatives such as Congressman Jack Kemp, a Republican presidential candidate who is proposing a North American free trade area. President Reagan has also talked about establishing a North American common market.

However, a spokesman for the US Trade Representative played down the new agreement as one which just may produce new liberalisation. "We prefer to go the multilateral route," he said. "However, if that effort fails, we will seek market openings wherever we can."

Because the agreement does not call specifically for tariff reductions it does not require congressional approval.

Officials say that the establishing of a structure to discuss disputes will inevitably promote trade and investment between the two neighbours. Mexican officials hope to bypass protectionist sentiment, and the US is anxious to help a co-operative debtor nation climb out of the red.

Canada is the largest trading partner of the US. Mexico is the third largest, and the US is Mexico's largest customer. Last year, US exports to Mexico totalled about $12m, while imports from Mexico reached $17bn.

South Korean surplus doubles to $4.83bn

SOUTH KOREA'S trade surplus in the first 10 months of 1987 more than doubled to $4.83bn (£2.8bn) from $2.29bn for the same period last year, the Trade and Industry Ministry said yesterday, AP reports from Seoul.

The January-October surplus surpassed that of $3.13bn for all of 1986.

Officials said the surplus in October alone stood at $847m, compared with $631m a year ago.

Led by textiles and electronics, Korean exports between January and October rose 33.8 per cent to $37.46bn from the comparable period last year, while imports rose 26.9 per cent to $32.63bn.

Textile exports in the 10 months were worth $9.72bn, up 35.7 per cent from a year ago, and electronics were valued at $7.78bn, up 48.3 per cent, ministry officials said.

Exports in October alone were $4.14bn, down 9.7 per cent from September but up 25.8 per cent from October 1986. Imports in October were $3.29bn compared with $2.66bn a year ago.

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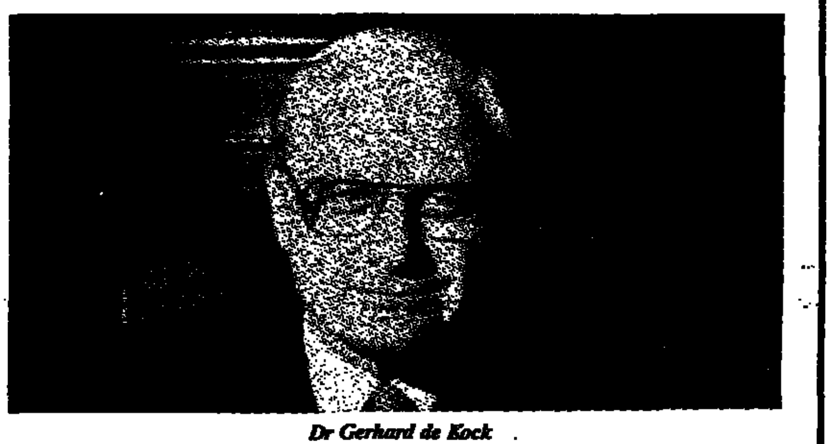
SA economy has adjusted to adverse economic and political shocks

Dr Gerhard de Kock, Governor of the South African Reserve Bank, talks to John Spira, Finance Editor of the Johannesburg Sunday Star.



Dr Gerhard de Kock

Spira: In what ways, if any, has the nature of the South African economy been altered in recent years?

De Kock: The South African economy has been forced to adjust to a series of adverse economic and political shocks. The country's economic and political relations with the outside world have been under stress and the single most important consequence has been South Africa's emergence as a capital exporting nation.

Huge net capital outflows (including changes in so-called "reserve related liabilities") amounting to R15,5 billion materialised during 1985 and 1986 alone. These outflows, of which more than R11,5 billion occurred after the imposition of the debt standstill and the reimposition of exchange control over non-resident equity capital at the end of August 1985, amounted to 6% of gross domestic product over the two year period.

Together with other adverse developments, such as droughts and weak commodity prices, far-reaching adjustments in the South African economy have been required. These have taken the form of a combination of exchange rate depreciation, higher inflation, slower growth and, in general, a lower standard of living. The only options open to us were between different methods of adjustment on the one hand and different ways of spreading the adjustment burden on the other.

Although the challenges have been daunting, it is gratifying that the economy has risen to the occasion. The balance of payments adjustment has been such that while ongoing debt repayments have been made, the foreign reserves have risen substantially and the foundations have been laid for faster economic growth.

Spira: To what extent has foreign debt been repaid?

De Kock: At the end of August 1985, when the debt standstill was first imposed, the total foreign debt of the South African economy amounted to US$23,7 billion. By the end of 1986 this figure had declined to US$20,4 billion, valued at the dollar exchange rates that had prevailed at the end of August 1985. However, if valued at the dollar exchange rates at the end of 1986, that figure for that date becomes US$22,6 billion.

The difference arises from the effect of the depreciation of the US dollar against other major currencies on the dollar value of South African foreign loans denominated in non-dollar currencies.

Spira: Is South Africa's foreign debt position comparable in any way with that of developing countries?

De Kock: No. South Africa is one of a handful of countries in the world which is actually reducing its outstanding debts. In contrast to the position of developing countries, accepted criteria for assessing a country's foreign situation show that South Africa is now technically underborrowed.

Thus, for example, South Africa's total foreign interest payments in 1985 amounted to only 10,7% of exports of goods and services, compared with an average of 27,6% (and, in some cases, more than 40%) for Western Hemisphere developing countries. Moreover, in 1986 South Africa's ratio declined to 9,5% and for 1987 it is estimated to be a mere 7,5%.

A further indication of South Africa's sound foreign debt position is the size and recent behaviour of the ratio of foreign debt to total exports of goods and services. Even at its peak of 171% in 1984, this ratio was not inordinately high. It then fell to 108% in 1986 and to an estimated 90% in 1987. In contrast, the comparable ratio for Western Hemisphere developing countries deteriorated from an average of 277% in 1984 to 355% in 1986 and an estimated 368% in 1987.

Spira: Are the monetary authorities satisfied with the latest foreign debt agreement with creditors?

De Kock: In February 1987, mutually satisfactory debt repayment arrangements were negotiated. Under these Second Interim Arrangements, a longer debt standstill period (from July 1987 to June 1990) was agreed upon and a formula for the repayment of about US$1,5 billion of debt "within the net" during this period was determined. A revised "exit clause" was also accepted which allows creditors to convert debt inside the net to long term debt outside the net. Debt so converted becomes repayable over a 10 year period.

The first major repayments of about US$300 million under the new arrangements were made comfortably in July 1987 without any noticeable pressure on either the exchange rate or the gold and foreign exchange reserves. According to the agreed formula, the next set of repayments amounting to about US$200 million will be made in December 1987.

Spira: In terms of a trade-weighted basket of currencies, the rand was about 28% higher at the end of August this year compared with its low of June 1986. To what can this be ascribed?

De Kock: The surpluses on the current account have more than offset outflows on the capital account. The gold and foreign exchange reserves have accordingly benefited. The Reserve Bank's foreign reserves increased from a low of US$1,6 billion at the end of April 1986 to US$3,5 billion at the end of August 1987.

Spira: What are the principal factors behind South Africa's improving external economic position?

De Kock: One reason was the successful maintenance of law and order and the resultant improvement in overseas perceptions of the South African situation. Another was the rise in the gold price from an average of US$317 an ounce in 1985 to US$368 in 1986 and to an average thus far in 1987 of US$436.

Clearly, however, a major role was also played by monetary and fiscal policies from roughly the middle of 1984. In particular, the restrictive policies pursued from then till mid-1985 served to eliminate overspending in the economy and to produce a large surplus on the current account of the balance of payments.

Spira: What role was performed by exchange rates in the adjustment process?

De Kock: The official exchange rate policy of managed floating has been a major contributing factor. The exchange rate movements that have occurred under this policy not only helped to bring about the large current account surplus and protect the gold and foreign exchange reserves; they also cushioned domestic economic activity against the deflationary impact of the various adverse extraneous developments between 1983 and 1986.

Thus, for example, the depreciation of the rand that occurred at certain stages served to maintain or increase the rand value of gold output and of many other South African exports — with secondary expansionary effects on other forms of economic activity. At the same time, it afforded additional protection to many domestic manufacturing industries competing with imports.

Spira: Do you believe that the introduction of targets for the growth in the money supply has been successful in the light of the failure of M3, the targeting variable, to attain even the lower end of the target range?

De Kock: In March 1986, the Reserve Bank, with the concurrence of the Minister of Finance, set a target range of 16% to 20% for the rate of increase in the broad money supply (M3) between the fourth quarter of 1985 and the fourth quarter of 1986. As matters turned out, M3 remained below the target range during most of the year and eventually increased by only 10,1% over the full targeting period.

In the event, however, total spending and production increased — such that the final outcome was an increase in nominal gross domestic product between the fourth quarter of 1985 and the fourth quarter of 1986 of 18,4%. This means that the income velocity of circulation (V) of M3 — the ratio between nominal gross domestic product and M3 — must have increased over the year. In fact, V increased by 7,6%.

The main reason for this development was "disintermediation" — the replacement of bank credit by other forms of credit extended directly by primary lenders to so-called ultimate borrowers. By definition, the "effective" broad money supply (M3 adjusted for changes in its velocity of circulation) therefore increased over the targeting period by the same percentage as nominal gross domestic product, namely 18,4%. This increase was well within the target range set for M3 itself.

Spira: The economy grew by less than 1% in 1986 and thus far this year the promise of a more vigorous upward thrust has not been fulfilled. Why has the upswing been so sluggish?

De Kock: Despite the strong balance of payments position and relatively low interest rates, the inducement to invest and the propensity to consume are not strong enough to lend real momentum to the economic upswing.

The evidence suggests that a major part of the answer still lies — as it has done for some time now — in a lack of sufficient business and consumer confidence. This, in turn, appears to stem from uncertainty associated with the present process of political and social reform and from concern about deteriorating overseas perceptions of South Africa since late 1984.

The problem at present is not one of excess demand or overheating. It is one of inadequate spending and production. The paradox is that the share market is booming while the real economy is subdued.

Spira: What, then, in the final analysis, are the policy implications of the prevailing economic paradox? What could and should be done to boost the upswing and to promote economic growth and prosperity in South Africa?

De Kock: In the sphere of short term economic strategy, monetary policy will remain expansionary as long as the present situation persists. The Reserve Bank will continue to encourage reasonable growth in bank credit and in the money supply by ensuring an adequate supply of cash reserves to the banking system at relatively low rediscount and other accommodation rates. To this end, full use will be made of the market-orientated techniques of public debt management and open market operations.

Reflecting this approach, in March 1987 a new target range was set for the rate of increase in M3 of 14% to 18% between the fourth quarter of 1986 and the fourth quarter of 1987. It is believed that the attainment of this target will be consistent with a projected further acceleration of real gross domestic product growth and a further gradual decline in the rate of inflation.

Spira: One of South Africa's most pressing economic problems remains its high rate of inflation. How does this problem rank on the list of priorities among economic policy objectives?

De Kock: The Reserve Bank remains deeply concerned about inflation. Moreover, it fully endorses the view that there is no long run trade-off through which growth can be enhanced by a willingness to accept a higher rate of inflation. In the long run inflation is detrimental to growth.

But against the background of the sluggish economy, we do not favour a severe tightening of monetary policy in order to accelerate progress toward reducing the inflation rate.

The main cause of the temporary acceleration of the annualised quarterly inflation rate from 12,8% in the fourth quarter of 1984 to 26% in the first quarter of 1986 was (exceptionally) not excess aggregate demand but the marked depreciation of the exchange rate between 1983 and 1986. This is borne out by the fact that, following the appreciation of the rand during the past year, the rate of inflation has slowed down to around 15% during the first two quarters of 1987.

Moreover, provided there is no new deterioration of political perceptions and no reappearance of demand inflation, the rate of inflation should decline yet further in the period ahead. That such a reduction remains a major objective of monetary policy is shown by the adoption of a reduced target range for the broad money supply.

Spira: What is required to restore greater confidence in the economy?

De Kock: Although they are vitally important in their own right, the various economic policies currently being applied will not, by themselves, be adequate.

The economy will not approach anything like its optimal performance until businessmen and consumers gain a more positive vision of South Africa's social and political future. There is little that monetary and fiscal policies can do to extricate economic decisions from the political considerations with which they are currently entwined in South Africa. This is the reality that has to be recognised.

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Brooke picked to succeed Tebbit as Tory chairman

BY PETER RIDDELL, POLITICAL EDITOR

MR PETER BROOKE, Paymaster General in the UK Treasury, has been appointed as the new chairman of the Conservative Party to succeed Mr Norman Tebbit.

This follows the unexpected decision last week of Prime Minister Margaret Thatcher's original preference, Lord Young, the Trade and Industry Secretary, to withdraw from consideration because of opposition from senior ministers and worries over conflict of interest.

Mr Brooke had been tipped as a possible alternative, for although he is largely unknown publicly, he is widely respected by ministerial and party colleagues as a solid and painstaking administrator.

It was significant that his name was put forward by two of Mrs Thatcher's closest allies, Mr Nigel Lawson, the Chancellor of the Exchequer, and Mr Cecil Parkinson, the Energy Secretary, as well as being supported by the Cabinet old-guard of Lord Whitelaw, leader of the Lords, and party managers.

His main job will be to supervise a much-discussed re-organisation of the Conservative Central Office, involving a streamlining of departments, the appointment of a chief executive or general manager and a possible move of offices.

Mr Brooke was being seen at Westminster last night as an interim low-key appointment to oversee these changes until a higher profile, more senior figure becomes chairman in two years' time in the run-up to the general election.

He will remain Paymaster General. He has so far been responsible for EC matters, notably Britain's contribution to the Community budget and the possible extension of VAT, though there may now be some modification of his duties.

Mr Brooke may have more time than other ministers since he has the advantage of being the local member. He has represented the City of London and Westminster South since February 1977.

Aged 53, he is a widower with three sons and built up the London office of a US headhunting consultancy, Spencer Stuart, before entering the House of Commons.

CBI call for campaign to promote nuclear power

By Hazel Duffy

THE GOVERNMENT and the Confederation of British Industry should launch a major publicity campaign on the merits of nuclear power, the CBI's eleventh annual conference in Glasgow decided yesterday.

Delegates passed a motion stressing the importance of competitive electricity prices for British industry and calling for a campaign to improve the image of nuclear energy. The motion was one of a series of short debates on topics chosen by CBI members.

Other motions included calls for the Government to ease 'unnecessary regulations and administrative burdens' on job creation. Delegates voted for the introduction of tax incentives and a promotional drive for increased research and development spending and for companies to make training a priority issue.

In a less business-oriented discussion, delegates passed unanimously a motion declaring that the CBI's pursuit of excellence in industry is motivated by a determination to generate the wealth necessary to heal divisions in society. Companies should aim to give everyone the opportunity to enjoy rewarding and fulfilling lives.

The conference also voted overwhelmingly to oppose the Government's plans to replace rates with a poll tax and a unified business charge.

After the most heated debate so far, President Sir David Nickson announced the organisation's own proposals would be published later this month.

The conference, by a majority vote, approved a motion which called for environmental protection but not at the expense of competitiveness.

● Mr John Banham, director-general of the CBI told the organisation's eleventh annual conference in Glasgow, yesterday that, "our strategy for the next five years is investment."

Mr Banham said it was time to take the long view - to look beyond the turbulence of the markets and to build on the platform that business has created for itself. We must invest for growth."

Although he stressed the importance of Britain's industrial turnaround, he said there was no room for complacency: "Just because we are no longer in imminent danger of relegation to the Second Division of economic powers, we must not delude ourselves that we are yet in a position to challenge for the World Championship. We are not."

Comparison with West Germany demonstrated twice as much spending on privately-funded research and development. The country graduates 40 per cent engineers and scientists and trains over 300,000 more young people than the UK. "These are formidable odds, even for British genius to overcome."

Mr Banham called on the Government to tackle the issues of high interest rates, corporation tax, which is "a tax on the creation of wealth and jobs," and money spent on rates. These were all diminishing the ability of British business to compete internationally.

Settlement deadline after markets crash passes calmly

BY HUGO DIXON

THE LONDON Stock Exchange's first settlement day after the great crash of 1987 passed yesterday without any of the dire consequences predicted. Private clients did not default en masse, brokers were not hammered and the settlement system coped reasonably well.

But, as the Stock Exchange and brokers stressed, the full extent of any bad debts resulting from the crash will not be clear until later this week. Although yesterday was the deadline for paying for shares bought during the previous two-week account period, the deadline is not rigorously enforced for small investors.

"It's too early to sort out the late payers from the can't payers," said Mr David Dugdale, finance director of James Capel, the leading London broker.

"There will clearly be clients who haven't paid by tonight," added Mr Ian Kennedy, a director of Parsons, the provincial private client broker.

It will also take three days to find out whether cheques sent by clients bounce. Brokers concentrating on private client business could, therefore, still face bad debts which they would have to finance out of their own capital or by borrowing.

The settlement deadline is enforced more rigorously for institutional investors so any problems they have in paying should already have become apparent.

However, the Stock Exchange said that every member firm had met its settlement obligations relating to the previous account in full by yesterday afternoon. This would seem to rule out the chances of a chain reaction of defaults.

Brokers admitted that the volume of transactions during the last account period would, in the short term, exacerbate the problems they have been having in dealing with the paperwork associated with settlement. "The volume was horrendous," said Mr Peter Rendell, Barclay de Zoete Wedd's settlements director.

But brokers also pointed out that the paperwork problem could have been much worse if the bull market was still continuing and millions of small investors had bought and then wanted to sell BP shares. One broker added that he expected the volume of share transactions to slacken off, which would allow firms to clear up the settlement backlog.

Security services to have ombudsman

By John Hunt

THE APPOINTMENT of an independent counsellor to listen to grievances by members of the Security Services is to be announced to the House of Commons this week by Mrs Margaret Thatcher, the Prime Minister.

The intention is to provide a "safety valve" to prevent security scandals of the kind which, in recent years, have dogged the intelligence agencies, MI5 and MI6.

The proposal for a complaints procedure internal to the agencies will please many MPs who have pressed for such a scheme since it was suggested by the Security Commission in its report on the Bettaney affair.

But others, particularly opposition MPs, will see it as an attempt to placate public opinion in the wake of the Government's embarrassment over disclosures in the book Spycatcher by Mr Peter Wright.

They will argue that an independent body, such as a parliamentary select committee, is necessary to maintain effective scrutiny of the security services and to keep Parliament informed on security matters.

Mr Bettaney, an MI5 officer, was convicted in 1984 of spying for the Soviet Union. His activities went long undiscovered even though he was a man of eccentric behaviour.

Shareholders benefit 'more than workers'

By Charles Leadbeater, Labour Staff

SHAREHOLDERS have benefited much more than workers from the rise in company profits over the past year, according to a report published yesterday by Labour Research, the trade union backed research group.

The survey found that 45 out of 50 companies increased pre-tax and interest payment profit produced by each employee.

Dividend payments were increased at 48 of the companies surveyed.

Average pay rose by more than inflation at only 13 companies. The study estimated that pay rose by more than dividends at five companies.

Labour Research, November 1987, Volume 76, Number 11, is published by Labour Research Department, 78 Blackfriars Road, London SE1 8HF, price £1.25.

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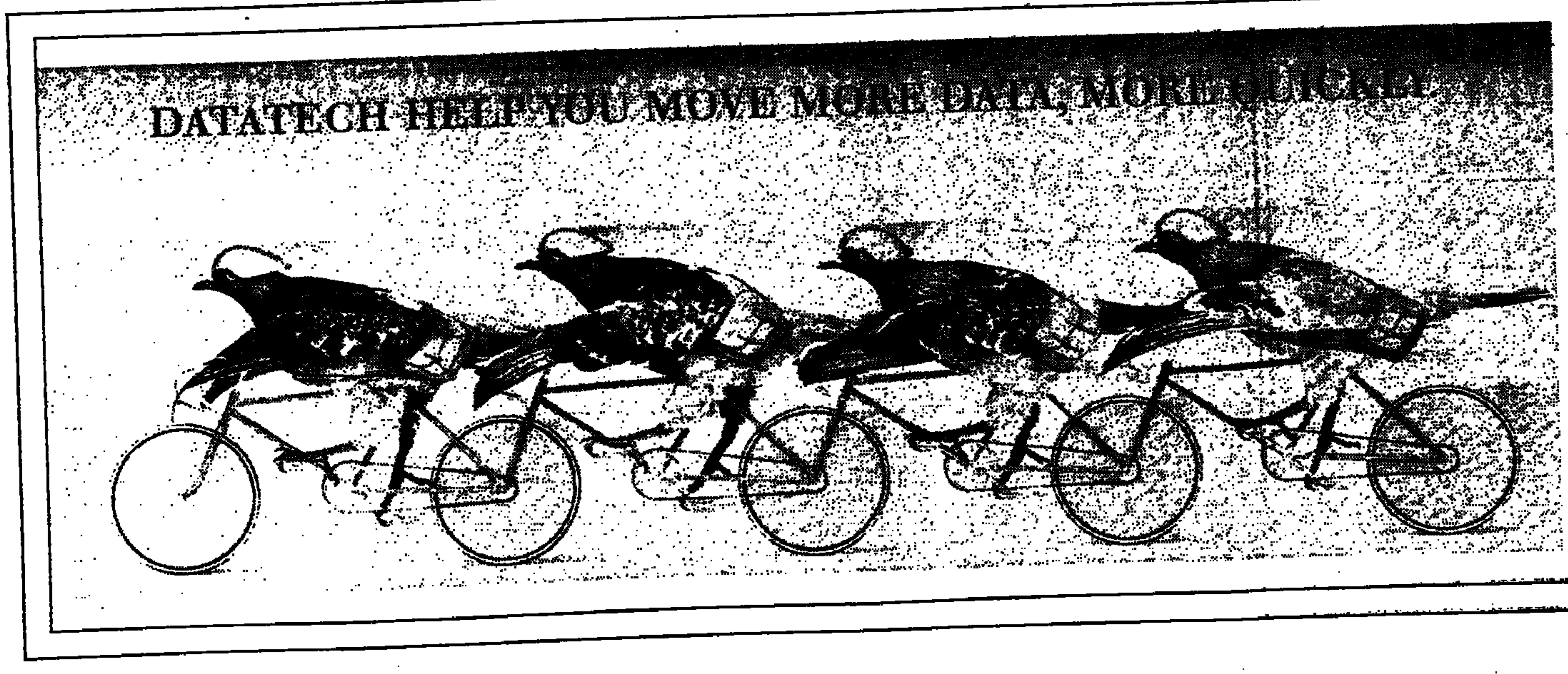
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FT LAW REPORTS

English reinsurance follows Norwegian law settlement

FORSIKRINGSAKTIELSKAPET VESTA v BUTCHER AND OTHERS

Court of Appeal (Lord Justice O'Connor, Lord Justice Neill and Sir Roger Ormrod): October 30 1987

A FOLLOW-settlements clause in back-to-back reinsurance overrides a claims control clause if the settled claim was valid and unanswerable under the law of the original policy. Also, a broker's liability for failing to obtain a valid and effective reinsurance contract on behalf of the reinsured can be subject to apportionment on a contributory negligence basis.

The Court of Appeal so held when dismissing an appeal by representative underwriter, Mr J.N.E. Butcher, from Mr Justice Hobhouse's decision that he and other underwriters were liable to indemnify Forsikringsaktielskapet Vesta under a reinsurance contract. A cross-appeal by Vesta from the judge's decision that any alternative liability incurred by Lloyd's brokers would be apportionable between them and Vesta was also dismissed.

Section 1 of the Law Reform (Contributory Negligence) Act 1945 provides: "(1) Where any person suffers damage as the result partly of his own fault... the damages recoverable... shall be reduced... as the court thinks just and reasonable..."

Section 4: "fault means negligence... or other act or omission which gives rise to a liability in tort..."

LORD JUSTICE O'CONNOR said that in September 1978 a very severe gale struck the coast of Norway and caused damage to a fish farm operated by Fjordlaks Tafjord A/S.

Fjordlaks was insured by Vesta, a Norwegian company. Vesta reinsured 90 per cent of the risk with Lloyd's underwriters. The insurance and reinsurance contracts contained a safety regulation clause that Fjordlaks would keep a 24-hour watch over the site. Fjordlaks was in breach of that clause.

By section 51 of the Norwegian Insurance Contracts Act 1930, a breach of safety regulations was no defence to a claim under the policy unless the loss was caused by the breach. The loss had nothing to do with absence of a 24-hour watch, and Vesta settled Fjordlaks's claim for NKr2.75m (£248,000).

The reinsurers refused to pay their 90 per cent on the ground that the 24-hour watch clause was a warranty in a contract governed by English law, and the breach entitled them to refuse to pay regardless of the position in Norway.

Mr Justice Hobhouse held that Vesta was entitled to recover.

The reinsurers' appeal against that finding should be dismissed, for the reasons given by Lord Justice Neill.

Mr Justice Hobhouse went on to consider an alternative claim by Vesta against the brokers in the event that Vesta could not recover from the reinsurers.

He held that a failure by the brokers to report to Vesta that Fjordlaks could not comply with the 24-hour watch clause was a breach of their duty owed to Vesta; but Vesta was guilty of contributory negligence in that it should have remembered it had received no reply from the brokers on the 24-hour watch problem.

He said the brokers' negligence would have been causative of the loss, and apportioned the fault 75 per cent on Vesta and 25 per cent on the brokers. Vesta appealed against the finding of contributory negligence and apportionment.

The issue was whether, on the facts of the case, there was power to apportion under the Law Reform (Contributory Negligence) Act 1945.

Vesta pleaded its claim in contract and tort. That was but a recognition of a clearly established principle that where, under the general law, a person owed a duty to another to exercise reasonable care and skill in some activity, a breach of that duty gave rise to a claim in tort, notwithstanding that the activity was the subject matter of a contract between them.

Mr Justice Hobhouse identified three categories of case in which the question whether the 1945 Act applied to claims in contract could arise.

Category 3 was "where the defendant's liability in contract is the same as his liability in...negligence independently of the existence of any contract". The present case fell squarely within this category.

The judge said he was bound by *Sayers v Harlow [1958] 1 WLR 623* where the plaintiff was a contractual visitor to premises. The Court of Appeal said it did not matter whether the cause of action was put in tort or contract and apportioned blame awarding three quarters of her damages.

In *Sayers v Harlow*, the plaintiff paid to use a public lavatory and a duty of care was owed to her by the council, in contract and in tort. She was locked in and, while attempting to climb out, she fell and was injured.

That was a category 3 case. The decision was not only right, but it was binding. Mr Justice Hobhouse came to the right conclusion on this topic. Vesta's appeal was dismissed.

MR JUSTICE NEILL, agreeing, said it was common ground that the contract of original insurance was governed by Norwegian law, and that Vesta was liable to indemnify Fjordlaks.

Mr Justice Hobhouse said there was express provision for the terms of the reinsurance and original insurance to be the same. The reinsurance was manifestly to be back-to-back with the original insurance. The reinsurance was an English law contract, but was made with reference to and on the terms of the Norwegian law contract of original insurance.

The crucial question was what effect was to be given to the 24-hour clause in the reinsurance contract.

The slip and endorsement referred to the J1 standard form of Lloyd's reinsurance policy, "being a reinsurance ... to follow the settlements of" the reassured.

The reinsurance contract also contained a claims control clause that: "In the event of loss... no payment... shall be made without the consent of the underwriters who shall have control of all negotiations. Failure to comply with any of the warranties... will render this policy null and void."

In *Insurance Co of Africa v Scor*, Lord Justice Robert Goff said that the effect of a follow-settlements clause was that the reinsurers agreed to indemnify insurers in the event that they settled a claim. He said the underlying philosophy of a claims co-operation clause was that settlements should not be made without approval of reinsurers.

He said "the follow-settlements clause must be construed in its context in the policy, as only requiring reinsurers to follow-settlements which are authorised by the policy... This effectively emasculates the follow-settlements clause; but it is what the parties... have agreed."

The underwriters placed strong reliance on *Scor*, arguing that the importance of the follow-settlements clause was largely nullified by the first sentence of the claims control clause.

In the present case, however, the fact that a relevant loss had occurred was not in dispute. The question was whether Vesta, against whom the insured had a valid and unanswerable claim according to Norwegian law, could recover under the reinsurance policy.

The underwriters must at all material times have contemplated that their right to have sole control of all negotiations was governed by Norwegian law.

As a matter of construction of the reinsurance contract and by seeking to ascertain the presumed intention of the parties, the watch clause had to be given the same effect as it was in the original insurance contract. That was the only solution which made commercial sense.

With regard to contributory negligence, this was clearly a category 3 case, where the brokers' liability in contract was the same as their liability would have been in tort. Accordingly, any damages could properly be apportioned.

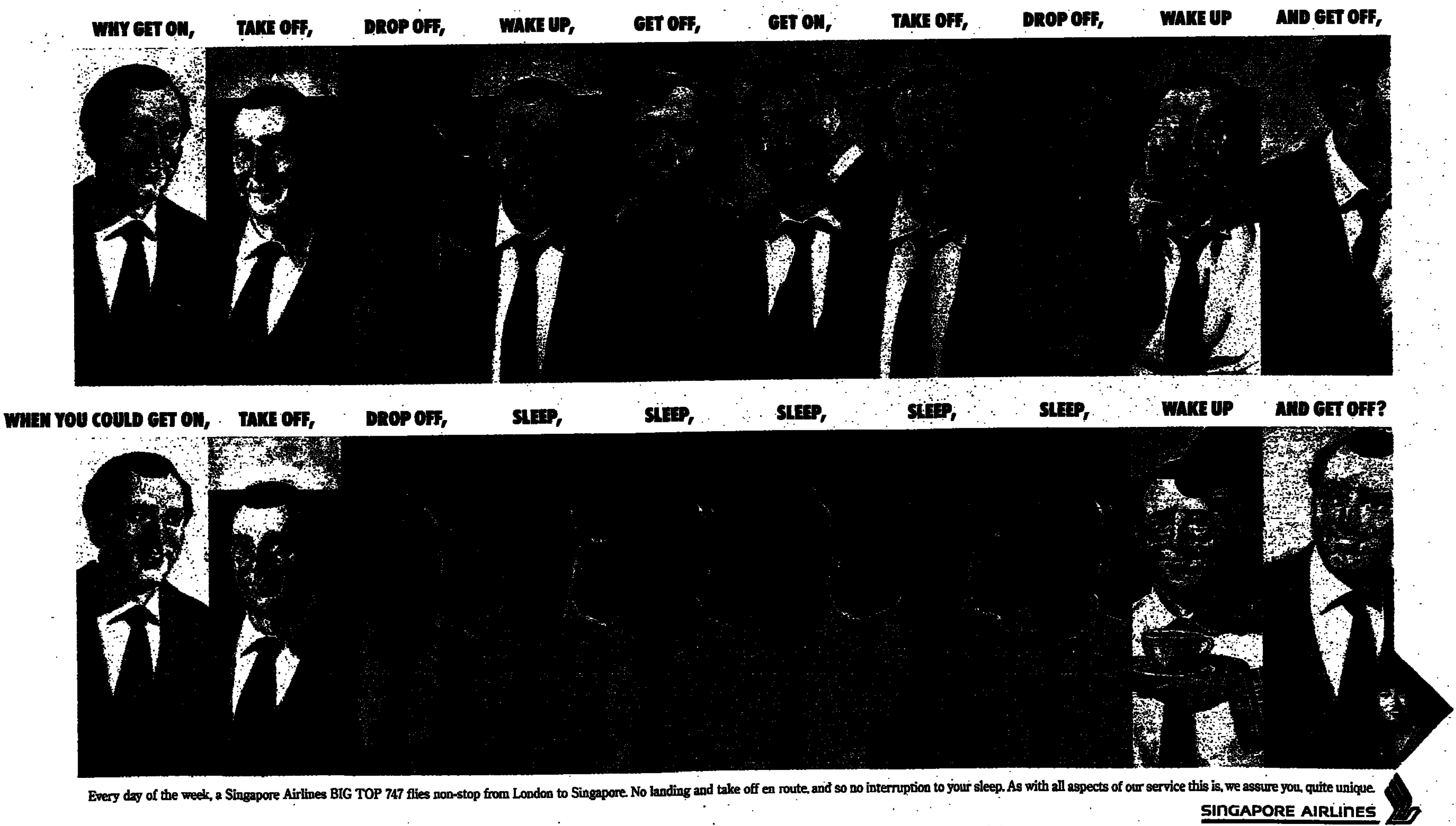
SIR ROGER ORMROD, agreeing that the appeal and cross-appeal should be dismissed, said that the existence of the contract created a degree of proximity between Vesta and the brokers sufficient to give rise, on ordinary principles, to a duty of care and to a claim in negligence. Consequently it was a case for apportionment of damages.

For the underwriters: Timothy Walker QC and Andrew Smith (Clyde & Co).

For Vesta: Andrew Longmore QC and Adam Fenton (Richards Butler).

For the brokers: E.M. Ogden QC and Christopher Purchas (Hewitt Woollacot & Chown).

By Rachel Davies
Barrister



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OFT studies industrial gas overcharging claims

BY MAURICE SAMUELSON

THE OFFICE of Fair Trading said yesterday it was looking into complaints that the British Gas Corporation is abusing its private monopoly by overcharging industrial consumers.

After informal inquiries, it will decide whether to launch a formal investigation under the Competition Act 1980 or the Fair Trading Act 1973.

The Gas Consumers Council, which usually handles complaints by domestic gas users, said the corporation was being accused of following policies "against the public interest" and contrary to anti-competitive practice.

The charges follow a series of allegations that leading British gas users are paying up to 50 per cent more for their gas than their continental competitors.

They include steel, chemicals, ceramics and food and drink manufacturers, several of which have already protested independently to the Director of Fair Trading.

The corporation, which had previously given only a muted reply to the charges, yesterday strongly denied them.

However, the complaints are broadly supported by Mr Peter Harris, an independent tariff analyst at the Newmarket-based Energy Research Centre.

He claimed last night to have evidence that some firm contract customers had been charged more than the maximum of 35.5 pence a therm that the corporation announced on July 1.

National Utility Services, an international tariff consultancy, also claimed that UK businesses were paying more than their counterparts in other leading industrial nations.

Mr Ian Blakey, director of the British Independent Steel Producers Association, who acts as spokesman for seven energy-intensive industries, said that consumers of firm supplies of natural gas in the UK were charged about 31p a therm compared with about 22p on the Continent.

The "lack of transparency" of British Gas's pricing policy, was seen in the fact that the corporation's first annual report after its privatisation contained far less commercial information than its pre-privatisation reports.

According to Mr Harris, the disparity between UK and continental gas prices can be partly explained by a different method of measuring the sales to the customer. While British Gas prices were based on the fuel's gross calorific value, the prices in Germany and other parts of Europe were based only on net calorific value, allowing for the 10.8 per cent loss of useful heat during combustion.

British Gas yesterday said that in top-level discussions with the consumers' council it had "responded in great detail" to all the complaints and had fully explained its contracting pricing policy.

It pointed out that contract gas prices were related to oil product prices and said it fully understood the uncertainties caused by the volatility of the industrial oil market and the difficulties that caused to industrial customers.

Woolworth executive leaves

BY NIKKI TAIT

MR MALCOLM PARKINSON, chief executive of Woolworth - the high street retail chain - and a key figure last year in the company's defence against a £1.8bn bid from electrical retailer Dixons, left the company yesterday.

A statement from Woolworth Holdings gave no further information about the reasons for Mr Parkinson's departure, and the company refused to elaborate. The parting, however, is not thought to have been deeply acrimonious and Woolworth confirmed that there is no legal action outstanding between Mr Parkinson and the company.

Mr Parkinson, aged 45 and with an earlier background in marketing and advertising, joined Woolworth via its acquisition of B & Q, the DIY chain, in the early 1980s. At the time of the Dixons bid in early 1986, he was marketing director at B & Q.

He was widely credited with much of Woolworth's successful defence strategy - in particular, the prominent advertising campaign, which emphasised the changes under way at the company's high street stores.

Shortly after the bid's failure, in July 1986, Mr Parkinson was appointed chief executive of the Woolworth chain stores, a post he held until yesterday morning. He was also a director on the main Woolworth Holdings board.

Yesterday, the company emphasised that the Woolworth subsidiary was reorganised into five business units in early July - covering various sale areas, such as toys or gifts - and added that there was no immediate intention to replace Mr Parkinson as chief executive, although some co-ordinating appointment might be made later.

Shares in Woolworth fell 5p to 327p.

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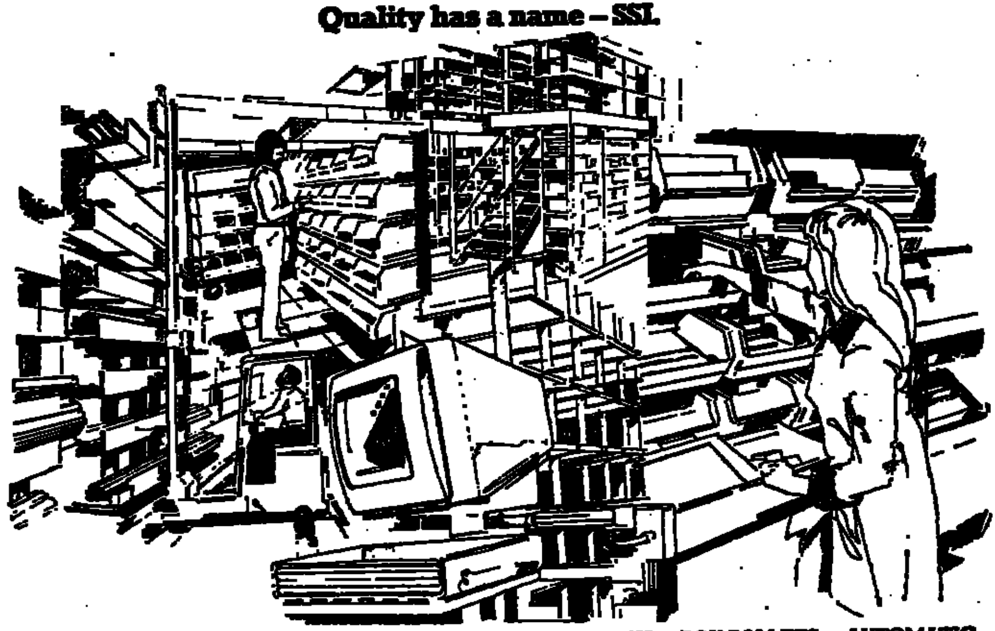

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TUBOS DE ACERO DE MEXICO, S.A. (TAMSA). México's leading producer of seamless steel pipe, on Friday, October 23, reached agreement with the members of its Creditors Advisory Committee on the principal terms and conditions of a proposed restructuring of the Company's indebtedness. The restructuring remains subject to the approval of the Company's other lending institutions, TAMSA's shareholders, final documentation as well as certain authorizations from several governmental regulatory agencies. When completed, the restructuring will reduce TAMSA's current dollar denominated debt by approximately 40% and the peso denominated debt by approximately 45%. This reduction will be accomplished largely by converting a portion of the outstanding principal and interest into a minority shareholding interest in TAMSA. The remaining indebtedness will be repayable on terms similar to those of México's restructured sovereign debt.

TAMSA incurred the indebtedness presently being restructured from 1979 to 1986 to finance the expansion and renovation of its facilities. The final phase of this expansion, a new melt shop completed in 1986, has freed the Company from dependence on foreign suppliers of round steel billets. The acquisition of this capability has reduced the cost of TAMSA's final products and will significantly improve the Company's international competitive position.

Signing the term sheet on behalf of TAMSA were Messrs. Luis Bossi and Guillermo Vogel, the Company's Managing Director and Deputy Managing Director, respectively. Mr. José Ramón Palacios signed the term sheet on behalf of the Ministry of Finance of México. Signing on behalf of the Creditors Advisory Committee were representatives of Bank of America NT&SA and Bankers Trust Company, chairman and co-chairman, respectively, and Banca Serfin, S.N.C., The Chase Manhattan Bank, N.A., First Interstate Bank of California and Security Pacific National Bank.

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October 27, 1987

Farms and nurseries seek £10m storm aid

By Bridget Bloom

IMMEDIATE government aid of up to £10m is being sought by farmers and nurserymen to help rebuild glasshouses and replant apple and pear orchards damaged in the storms of October 16.

Estimates of the cost of the extensive damage caused to farms, nurseries and woodland are still incomplete.

However, the horticultural division of the National Farmers Union, which yesterday sent a delegation to meet Baroness Trumpington, junior Minister of Agriculture, believes damage to the horticultural industry could be approaching £50m.

It is thought damage to glasshouses could cost between £20m to £30m, while more than 1m of the country's 16m fruit trees are believed to have been damaged or uprooted.

About 18,000 tonnes of fruit were probably on damaged trees, while there were also considerable losses of fruit in cold stores when electricity supplies failed.

Mr John Roach, head of the NFU horticultural division, who led yesterday's delegation, last night said the Government was being asked to help growers finance that part of the damage which insurance was unlikely to cover.

This could be between £5m and £10m. It could be financed by:

- A special fund.
- Extension of the present system of grants which cover glasshouse-rebuilding (about £3m a year has gone towards a modernisation programme in recent years) and orchard replanting.

The ministry was yesterday non-committal on the NFU request for aid, most of which would, in any case, have to be approved by the European Commission in Brussels.

It is expected that tree-planting grants will be increased. However, so far the only aid authorised relating directly to the storm damage appears to be European Community emergency aid of £218,000.

Meanwhile, the Forestry Commission has set up a special task-force to help owners of forestry and woodland assess stormdamage and to find markets for timber blown down by wind.

Mr Jim Dewar, task-force co-ordinator, yesterday said it was now evident the damage had been much worse than the Scottish gales of 1953 and 1968 when nearly 2m cubic metres of timber were lost on each occasion.

This time several times that had been lost, he said. He believed it could take three or four years to clear the timber.

SIB rejects unit trust compromise

By Richard Waters

A NEW METHOD of calculating the value of units in unit trusts, proposed yesterday by the unit trust industry as a compromise to appease City regulators, has fallen on deaf ears.

The plan, put forward by the Unit Trust Association, is intended to allay fears that the present pricing method allows managers of unit trusts to profit by movements in share prices at their customers' expense.

The association's valuation method is meant as an alternative to a system put forward last month by the Securities and Investments Board. The SIB's method, says the association, would discourage investors from buying units, since they would not know the price at the time they contracted to buy them.

But at least one large management group said yesterday that those fears were misplaced. A spokesman for the SIB said: "It does not at first sight appear to meet the objections we have put forward."

The SIB was also unmoved by calls from the association to relax rules that would require unit trust managers to detail their management charges in advertisements.

Most unit trust managers set the price of units during the afternoon for all dealing done on the next day. Because of the complexity of the operation, the valuation is based on share prices at midday. The built-in delay potentially allows managers to deal in their own units with the benefit of knowledge about what has happened to share prices in the meantime.

Instead, according to the SIB, managers should only set a price after a request to buy or sell has been received.

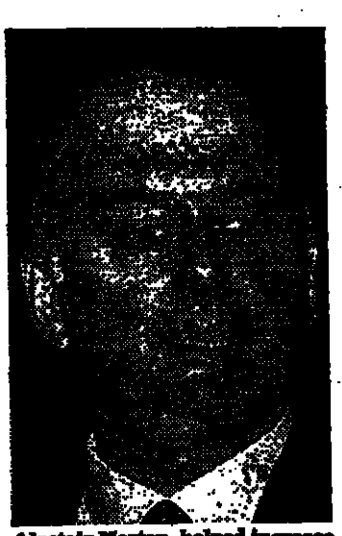
The association's compromise involves setting a price before deals are done, but based on share prices early in the morning.

M&G, the largest unit trust group, said yesterday that nearly 45 per cent of its business comes directly from investors who do not know the price of units they are buying.

The SIB plans to finalise the regulations, which will take effect in April, before the end of this year.

Richard Tomkins weighs the chances of success for the share flotation

Eurotunnel asks banks to dig deep



Alastair Morton, helped increase confidence in project.

THE REPRESENTATIVES of 198 international banks will gather tomorrow morning at simultaneous ceremonies in London's Guildhall and the Pavillon Gabriel in Paris to sign a £5bn credit facility for the construction of the Channel Tunnel.

It is one of the largest general syndications ever seen in the international capital markets. But Eurotunnel, the Anglo-French consortium responsible for the project, will not be able to draw a penny of it unless investors support the consortium's flotation on the London and Paris stock markets two weeks from now.

The Eurotunnel flotation, coming so soon after the disastrous BP share offering, could hardy have been more unfortunately timed, but without the flotation the tunnel cannot be built.

So is this latest attempt at constructing a fixed link across the Channel in danger of ending in the same way as the two that have gone before?

At first sight, the answer hangs crucially on the ability of the sponsors to get the issue underwritten. The agreement with the banks does not, after all, require that the flotation should be hailed as a roaring success: only that all the shares should be bought and subsequently quoted on the market. As long as it is fully underwritten, it cannot fail.

In that respect it is the UK side of the Channel that gives the greatest cause for concern. When a private placing of shares in Eurotunnel was conducted among institutional investors just over a year ago, the French responded with enthusiasm but the British proved sniffy. It was after only some painful arm-twisting by the Bank of England that the British eventually lent their support.

A straw poll among 10 British institutional investors yesterday found that all are more optimistic about the project now than then. The appointment of Mr Alastair Morton as UK co-chairman, the installation of the loan finance arrangements and improvements in the forecast revenues and rates of return have all helped to increase confidence.

Yet there were still strong reservations in some quarters. One institution had doubts about the managerial structure below board level, another about the safety aspects of the tunnel's operation.

A third institution proved scathing about the tunnel's construction.

It said: "To listen to them you'd think it was a piece of cake, but I've never heard of a tunnelling contract that didn't go wrong. If they managed to lose two drilling machines when they were building the Victoria Line, how many are they going to lose digging 50km under the Channel?"

The degree of enthusiasm depends partly on the type of institution. Performance-related funds such as unit trusts and investment trusts tend not to be keen because of the seven-year gap between now and the time the returns start to flow.

Some pension funds have reservations about whether the degree of risk is appropriate or even legal for them to take on.

The insurance companies are the more enthusiastic. Their funds are counted in billions of pounds, against which an investment of a million or two in Eurotunnel is not a such a grave risk, and they are more comfortable with the long-term nature of the investment.

None of the institutions said unequivocally that they they would be happy to underwrite the issue. One said unequivocally that it would not.

The others are waiting to see the draft prospectus, out on Thursday, before making up their minds. Even then, they said, it would depend on the state of the market in two weeks' time.

Eurotunnel's advisers are not taking the support of the underwriters for granted but feel quietly confident that the issue will find the necessary support.

One reason for such confidence is the issue's relatively small size compared with the large privatisation issues to which the UK market has recently become accustomed.

At £750m, the issue will be only a tenth the size of BP's. Little more than £300m worth of this is likely to be floated in London, with a similar amount going to Paris and the rest to North America and Japan.

Secondly, it is true that the British underwriting community has had its fingers badly burned on the BP issue.

However, the effect of the Bank of England's support operation, which has set a buy-back price of 70p on BP's shares, has effectively set a maximum limit on the extent of the losses the underwriters can face, so at least they are going into Eurotunnel with that safety net.

Thirdly, the assumption that the underwriters will make or break the offer should not be taken for granted. Eurotunnel has always said its offer would be underwritten and that certainly remains the intention although the commitment is not irrevocable.

Should the City refuse to play ball, it is quite conceivable that Eurotunnel would make an all-out attempt to float the issue entirely with the small investor.

The revelations over the weekend about the incentives likely to be offered to small investors confirm that Eurotunnel is hedging its bets on this score.

Even just one free return trip across the Channel for a shareholder's family and their car might be worth well over £50, depending on time and season.

That would be a powerful bonus to add to the dividend stream and those misty-eyed notions of international love, peace and harmony.

Turnover up in three out of four Scottish companies

By RICHARD EVANS

SCOTLAND's biggest companies show an encouraging picture of growth and increasing wealth, according to a survey published today.

Three out of four companies reported a higher turnover in their latest financial year than the previous one, says the latest edition of Jordans' financial survey of Scotland's Top 500 Companies.

The average combined growth in turnover of all the companies was 6.4 per cent, with the top three-quarters achieving a spectacular growth of 22.4 per cent. Turnover has risen in the last three years from £22.48bn, through £24.23bn to £25.47bn, annual increases of 7.8 per cent, then 5.1 per cent, indicating satisfactory conditions, according to the survey.

Higher turnover was matched by satisfactory profits, in spite of difficulties in the oil industry and in whisky distilling. The average profit margin was 6.8 per cent. More than 80 per cent of the companies were profitable and only 4 per cent lost money in each of the last three years.

Equally encouraging was the fact that the downward trend in employment appeared to have been arrested. In the latest year the number of employees was within 0.3 per cent of the previous year, having fallen a year before that by more than 2 per cent.

While the combined figures of turnover and profits indicate that Scotland is an area of growth and prosperity, the survey suggests that it is the rise in shareholders' funds that shows the wealth that is being created. Over the last three financial years funds have risen from £7.72bn to £9.14bn.

The survey is based on information filed at the Company Registry in Edinburgh by companies with registered offices in Scotland. The Distillers Company is excluded, in spite of its size and importance to the Scottish economy, because of changes in the way the accounts have been presented since the takeover by Guinness.

Scotland's Top 500 Companies, 1987. Jordans, Jordan House, Brunswick Place, London N1 6EE. £75.

North Sea activity 'recovering'

BY LUCY KELLAWAY

DRILLING ACTIVITY in the North Sea has rebounded sharply from last year's depressed levels and is likely to continue to rise strongly over the next five years, according to a survey of oil company drilling intentions.

By 1992, drilling activity should have reached the peak levels of 1984, an outcome that until now had been considered unlikely by most forecasters, the annual survey, carried out by Wood Mackenzie, the Edinburgh-based stockbroker, says.

The survey shows that exploration drilling in the North Sea has recovered from a trough of 23 wells in February this year, and is now at its highest point since March 1986.

The broker says, as a result of the rise in the oil price this year to $18 (£10.5) a barrel, oil companies are no longer concentrating exclusively on conserving cash flow but on building reserves for the future.

It notes that the industry is increasingly confident both about the future of the oil price, which at $18 a barrel is twice the price of August last year, and about the quality of drilling acreage in the North Sea, after a recent batch of encouraging oil and gas discoveries.

In spite of the improvement in activity, the industry is likely to be affected until the next decade by excess capacity. Wood Mackenzie calculates that overcapacity of North Sea rigs is running at about 45 per cent this year.

Daily rig rates have recovered to about $17,000 a day compared to an average of $14,000 last year, although they are still a fraction of the peak of more than $100,000 a day reached in 1981.

However, the survey says by 1992 day rates may have risen far enough to encourage new rigs to be built. The balance between supply and demand in the North Sea will also be helped as some rigs are moved to other parts of the world and as older rigs are scrapped.

BA 'most improved airline'

BY LYNTON MCLAIN

BRITISH AIRWAYS has emerged as the "most improved airline in the world," in a survey of almost 30,000 regular travellers from 100 countries published yesterday.

The former state-owned airline, privatised earlier this year, was the fifth most liked airline. Swissair was the world's favourite, followed by Singapore Airlines. Schipol Airport, Amsterdam was the favourite airport.

One third of passengers wanted smoking banned from flights and the level of air fares was the most important aviation issue for those surveyed.

The survey was by the International Foundation of Airline Passenger Associations.

● Mr Mike Hoffman has been appointed chief executive of Airship Industries, with effect from December 1. Mr Hoffman, 48, was chief executive of Babcock International plc from 1983 until its recent agreed merger with FKI.

Mr Hoffman is also president of the Institution of Production Engineers and a former chairman of Perkins Engines.

Mr Alan Birchmore, managing director of Airship Industries and an executive director of Bond Corporation Holdings, the Airship Industries parent company, is to remain on the Airship board.

First move to cut home loan rates

By Hugo Dixon

THE FIRST significant move in what is likely to be a round of mortgage cuts occurred yesterday when the Mortgage Corporation, the specialist mortgage lender, announced a reduction in its mortgage rate from 11.1 per cent to 10.5 per cent.

The rate takes effect immediately for new borrowers and from December 1 for existing borrowers. It follows the cut in base rates from 10 per cent to 9.5 per cent during last month's stock-market crash.

Building societies and other mortgage lenders are likely to follow Mortgage Corporation's move to maintain their competitive positions. However, there is uncertainty about the timing of their response in view of continued volatility in the money markets.

"We think it is important to price our mortgages keenly, but we are waiting to see a more settled situation," said the Halifax Building Society.

Because of the expense of sending out hundreds of thousands of letters to borrowers, societies want to be sure of the rate they choose. If base rates fell further, there would be the opportunity to cut mortgage rates by a larger amount.

Celltech made £234,000 after tax last year

CELLTECH, the biotechnology company which is embarking on a multi-million pound private placing, has recorded its first profit. After-tax profits in the year ended September 30 were £234,000, compared with a loss of £2.08m the previous year.

Mr Gerard Fairtlough, the chief executive, said: "Profits from the sale of products and in our sponsored development business increased to £4.11m from £787,000."

The costs of developing the biopharmaceutical business increased to £3.45m from £2.58m, leaving an operating profit of £661,000 compared with an operating loss of £1.79m in the previous year. Turnover rose 50 per cent to £11.41m from £7.6m.

OBITUARY

Lord Cobbold: Governor of Bank

LORD COBBOLD, Governor of the Bank of England in the post-Second World War years, died on Sunday aged 83. He had a long career at the Bank, where he was singled out at a young age for high office by the Governor at the time, Montagu Norman. However, his public impact was dulled by his strong belief that the Bank should keep out of the news and politics.

Yesterday, former colleagues described him as the epitome of the old-style governors who commanded Britain's financial system from behind the scenes with a firm but understanding hand.

Educated at Eton and King's College, Cambridge, Lord Cobbold joined the Bank as an adviser in 1933 and was one of the first four executive directors appointed in 1938. In the Second World War he administered the sterling exchange control accounts, after which he served briefly as deputy governor before becoming governor in 1949, a post he held for 12 years.

His main duty in the 1950s was to aid Britain's adjustment to its new post-war circumstances when sterling's international importance had outlived the country's power to support it. It was also a time when monetary control was revived as an instrument of economic management.

Lord Cobbold served under four different governments and six chancellors but, through a combination of tact and great personal authority, maintained constructive relations with all of them. He was also for 12 years a director of the Bank for International Settlements, based in Basle, through which he established his reputation on an international plane.

The final years of his governorship were marred by the allegations of a bank-rate leak, and the establishment of the Radcliffe Committee on the workings of the monetary system. The Bank was cleared of any serious lapses but some changes were made to its workings.

Lord Cobbold was the last Governor to be specifically trained for the job and he cultivated a certain aloofness to enhance the dignity that he believed to be a vital attribute of the office. However, he possessed a sharp intellect and a personal warmth that inspired widespread loyalty and confidence. He was a firm believer in the value of a brisk walk to advance deadlocked talks.

After retiring from the Bank he served as Lord Chamberlain and accepted a number of directorships, including those of BP and Guardian Royal Exchange. He was active in the House of Lords, where he specialised in European Community law.

He had been living at his family home at Knebworth, Herts. He is survived by his wife Hermione and three children, David, Susan and Rowland.

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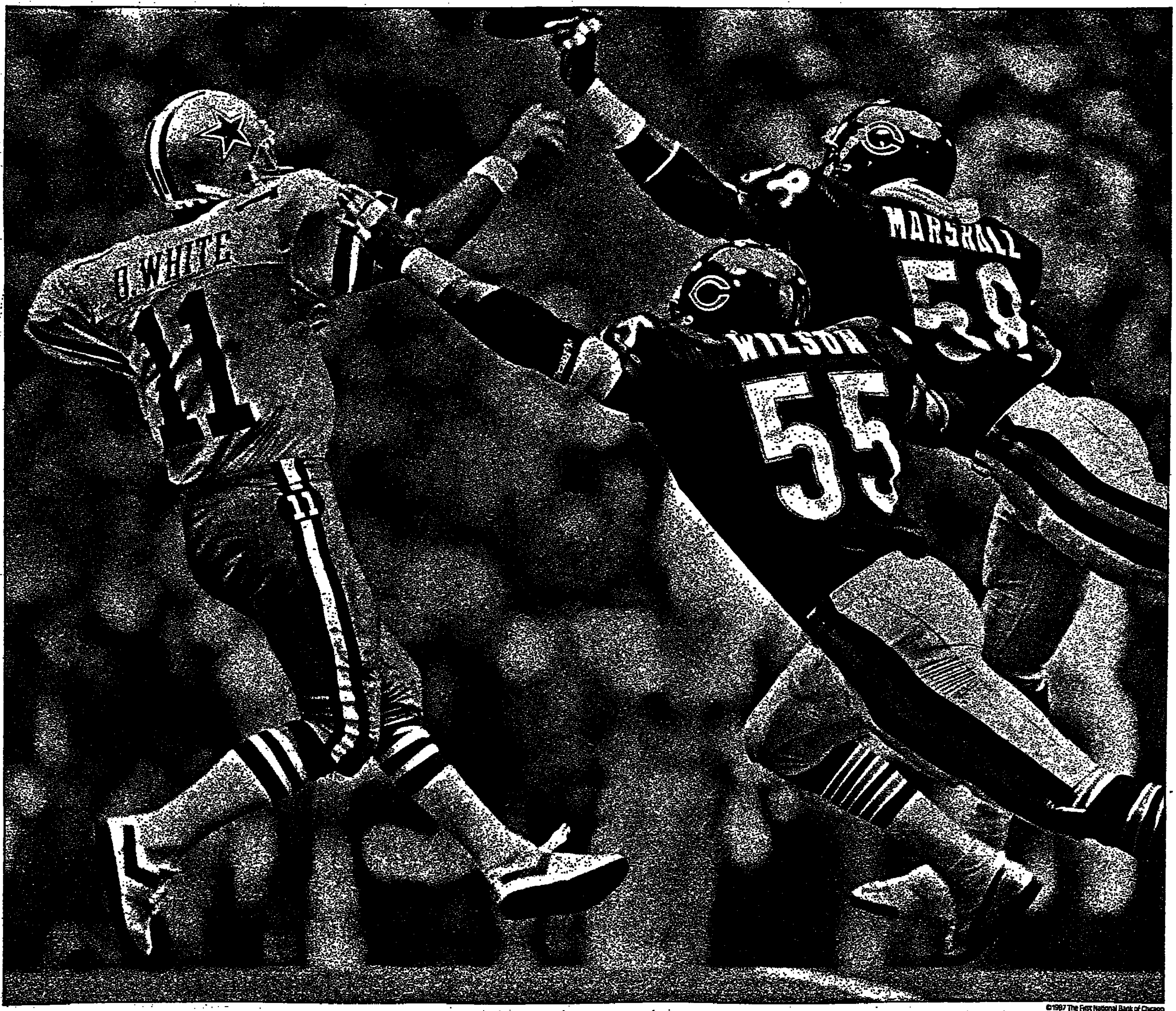

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Magnet calls in police over possible fraud

BY DAVID WALLER

WEST YORKSHIRE police are investigating a possible fraud at Magnet, the kitchen and bedroom furniture maker and retailer based in Keighley. Magnet said yesterday that "several hundred thousand pounds" were involved.

This comes as a further blow to Magnet, which in late August lost a quarter of its market value in three days after two stockbrokers downgraded their profit forecasts for the current year.

Officers from the Bradford fraud squad were called in by Magnet last month after an internal auditor stumbled on what Magnet called an "unusual relationship" between a director of a Magnet subsidiary and a supplier of computer equipment. The director has since been dismissed.

Mr Gordon Brown, Magnet's finance director, said that the former director owned a company that purported to act as a supplier of computer accessories such as printers and printed-circuit boards. As a result, Magnet was overcharged for such supplies over a number of years.

The former director was a long-standing employee of Magnet and it is not known when the alleged fraud began. However, Mr Brown said the loss to Magnet appeared to be limited to "several hundred thousand" and he was hopeful of recovering the money.

Detective Inspector Marshall of the Bradford fraud squad confirmed that his officers were investigating the circumstances in which one of the directors of Magnet Joinery and Timber, a wholly owned subsidiary of Magnet, conducted the purchase of equipment on behalf of the company.

No charges have been brought as yet but the police intend to submit their file to the Crown Prosecution Service.

Magnet has in the last few years been re-orienting itself as a retailer rather than a supplier to the building trade. That strategy seemed at first to promise a fast rate of growth and the company's shares rose from 260p to more than 400p during the first half of the year.

The shares now stand at less than 200p. Analysts expect the company to make pre-tax profits of £55m in the year to next March. That is ahead of the £44.2m made in 1986 but around £15m lower than the forecasts made earlier this year.

IPC to spend £2.5m on launch of monthly women's magazine

BY RAYMOND SNODDY

IPC MAGAZINES yesterday announced what is claimed to be the biggest launch in its history - Essentials, a monthly women's magazine.

The magazine, to be launched at the end of January with a £2.5m campaign, will try to combine the traditional fare of women's magazines with practical reference information.

The first issue will come with a ring binder and set of reference cards. Each issue of Essentials will have 48 ready punched file pages on topics ranging from health and cooking to household tips.

The magazine will be seen as IPC's counter-attack on European publishers who have launched titles on to the British women's magazine market over the past 12 months.

In September 1986, Gruner and Jahr, part of the West German Bertelsmann group, launched Prima, a monthly now selling more than 1m copies. The company has since followed it up with a weekly, Best.

Mr John Mellon, chief executive of IPC Magazines, part of Reed International, denied yesterday that the launch of Essentials was a reaction to Prima and said the IPC magazine had been conceived "at around the same time."

Mr Mellon added: "We were certainly not prepared to be panicked into doing something and rushing into the market with a competitor. We wanted to offer something that was really substantial and get it right."

Essentials, which will be produced editorially for IPC by GE Publishing, is designed to complement IPC's five main women's magazines - Woman, Woman's Own, Woman's Realm, Woman's Weekly and Woman and Home.

Essentials, which will have a cover price of 85p, will have a launch print run of more than 700,000 and advertisers are guaranteed a circulation of at least 500,000 for the first six months.

Mr Mellon said yesterday that IPC Magazines had sold 4.8m more copies between January and June this year than the same period last year and that "very good results" were expected for the July-December circulation period.

In the year to June, IPC's consumer magazines had a turnover of £188m and a trading profit of £20 4m.

UK 'weak spot' for Lancia

BY JOHN GRIFFITHS

BRITAIN now stands out as Lancia of Italy's "weak spot" in Europe, with sales well below what would be considered as Lancia's natural level of a 1 per cent to 2 per cent share of the market.

That view was expressed by a senior executive of Fiat of Italy's subsidiary, which produces executive and sports cars.

However, Lancia's current performance in the UK "must also be seen in the context of history", said Mr Claudio Dantini, commercial and marketing director, during the launch of the Delta HF Integrale, a revised four-wheel-drive model.

Thus Lancia was not dissatisfied with the slow progress being made by Lancar, its Heron Corporation-owned UK importer and distributor.

It had no firm plans to change the way in which its cars were distributed in the UK, Mr Dantini said. His "history" comment was an oblique reference to the reputation for corrosion acquired by Lancia's now obsolete Beta model at the end of the 1970s.

Lancia's UK sales fell from 11,764 in 1978 to a low of 2,639 in 1984. But they have since recovered to reach 3,389 last year.

Lancia is now looking for sales growth of about 15 per cent a year.

Controls sought on record rentals

By Raymond Snoddy

THE BRITISH record industry plans to press the Government to make the commercial renting of records and compact discs a restricted act under new copyright legislation.

The British Phonographic Industry (BPI), the body representing most rights' owners, hopes that amendments will be put down in the Lords after the new Copyright, Designs and Patents bill is introduced there later this month.

The record industry, still smarting after the government decision not to introduce a tape levy to compensate rights' owners for home taping, hopes to persuade the Government to think again on commercial renting.

Mr Patrick Isherwood, legal adviser of the BPI, said yesterday there was need for regulation of commercial renting. At the moment, apart from refusing to let renters have copies of new recordings, there was nothing the record industry could do to prevent compact discs being rented out and possibly copied.

"The worst possible situation is having completely unregulated renting," he said.

The BPI would exclude public libraries from any restrictions on renting.

Employment 'down 37% in Coventry over last 20 years'

BY ANDREW TAYLOR

EMPLOYMENT in Coventry, once one of Britain's richest manufacturing centres, has fallen by 37 per cent in the last 20 years, according to a survey of the city's 100 largest employers published yesterday.

The study, carried out for the city council by Coventry Workshop, an independent local research body, says most of the city's problems stem from its dependence on a narrow range of manufacturing industries, notably the car and automotive industries.

Those were badly hit by the restructuring that took place in British manufacturing during the late 1970s and early 1980s and resulted in heavy job losses in the city.

The report warns: "Coventry's dependence on manufacturing remains staggeringly high and the move to service-related employment much slower than elsewhere in Britain."

It says almost 73 per cent of the city's 93,303 workforce are employed by the largest 100 employers. About 55 per cent of those employed by the top 100 are in manufacturing; just under half work in the motor vehicle industry, making everything from luxury cars and tractors to nuts and bolts.

By comparison, manufacturing accounts for only 24 per cent of employment nationally, says the report. It adds : "Coventry still has a long way to go before it can be described as a service economy. Services account for just over 40 per cent of local jobs in the top 100 - a much higher proportion than hitherto but still about 25 per cent lower than the national average.

"Coventry is still very largely about making things. This remains true despite the dramatic decline in the manufacturing base sinced 1979 and the damage done to local employment prospects."

The motor vehicle industry is the city's second biggest employer after local and central government, which, in spite of public-sector cuts and privatisation of services, accounts for 28 per cent of all local jobs. The city council employs 15 per cent of everybody in work in Coventry.

The average size workforce employed by manufacturing companies in Coventry has declined by 61 per cent since 1975. Improvements in manufacturing productivity have not been followed by a corresponding increase in productivity. Jaguar, the city's second largest employer after the council, had almost doubled output in the last four years but had only increased its workforce by 37 per cent.

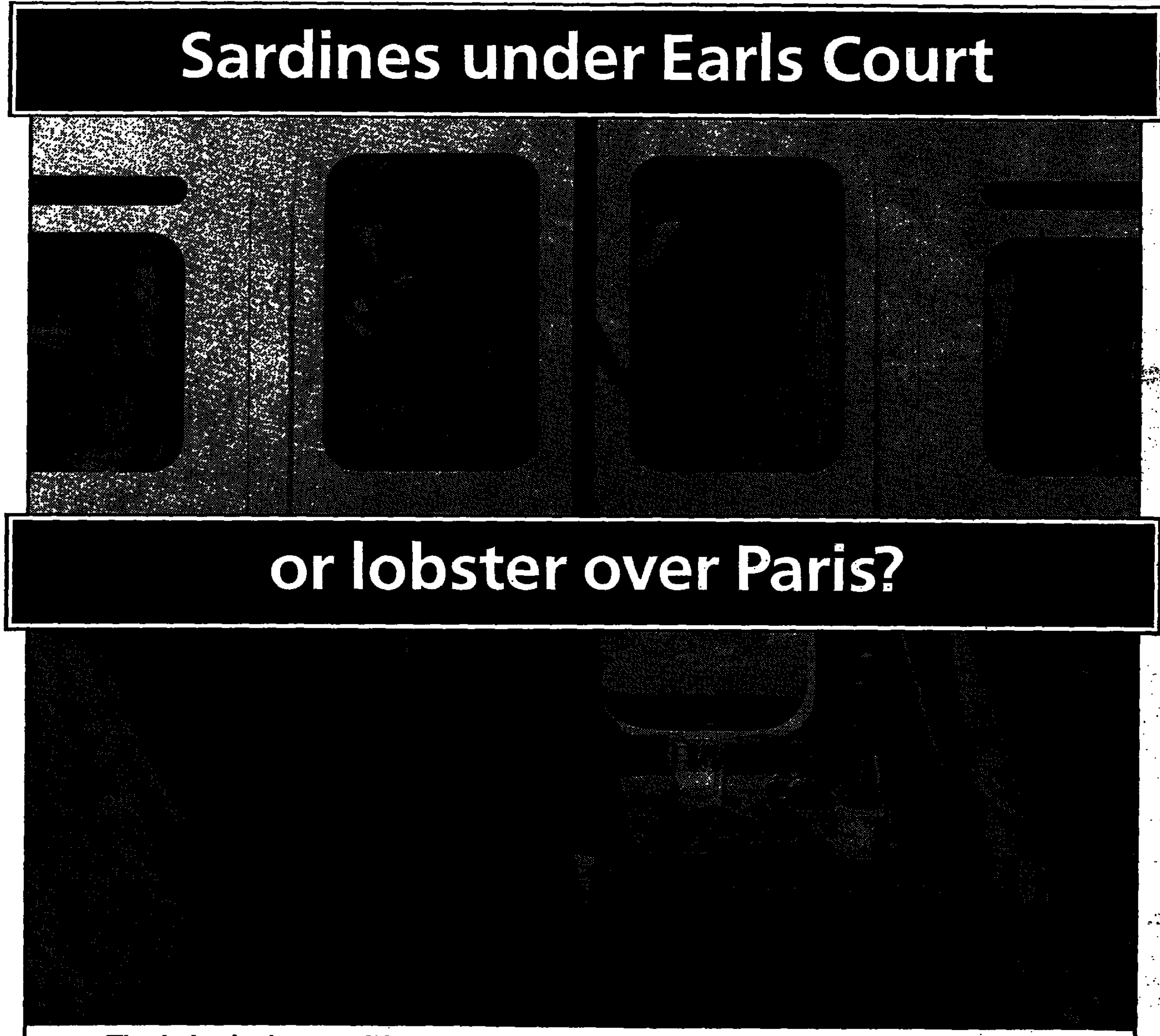
On this basis, to return to 1984 employment levels, Peugeot Talbot would have to increase output by 60 per cent, Massey Ferguson by 119 per cent and Coventry Climax by 138 per cent, says the report.

It adds that local employment remains heavily dependent on international companies, many of which have their headquarters outside Coventry. About 44 per cent of workers employed by the top 100 were part of international groups.

Move to speed court cases

LORD LANE, Lord Chief Justice, has acted to speed disposal of cases by appointing High Court judge Mr Justice Michael Davies to supervise jury, non-jury and chambers lists in the Queen's Bench Division.

The judge will exercise judicial control over the lists; support and liaise with those responsible for them; deal with applications and complaints; consult those professionally concerned with litigation; and generally act as may be desirable to facilitate disposal.



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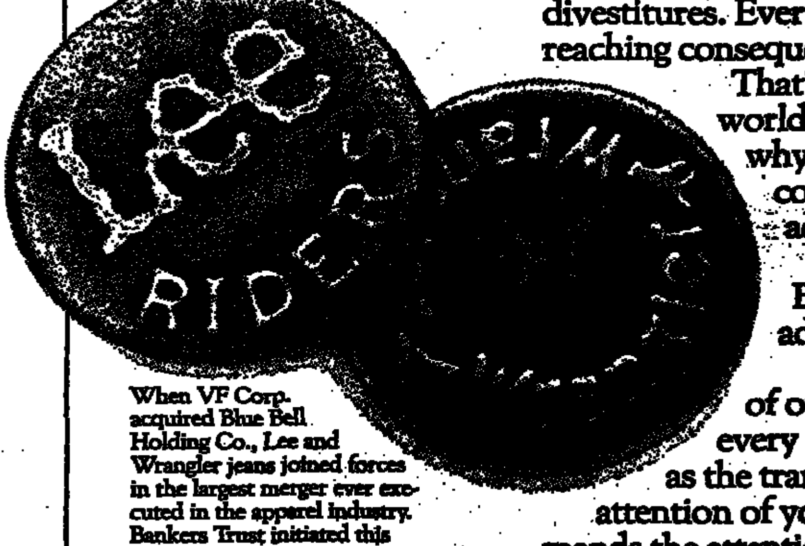

When VF Corp. acquired Blue Bell Holding Co., Lee and Wrangler jeans joined forces in the largest merger ever executed in the apparel industry. Bankers Trust initiated this $762 million transaction and was financial adviser to Blue Bell.

The stakes are high in acquisitions and divestitures. Every move you make has far-reaching consequences.

That's why it's critical to have a world-class financial adviser. And why, for more and more major companies, that financial adviser is Bankers Trust.

What distinguishes Bankers Trust from other advisers?

First, it's the involvement of our senior professionals at every stage of a transaction. Just as the transaction commands the attention of your senior people, it commands the attention of ours. And with them come years of experience in both industry and investment banking.

Since 1986, Bankers Trust has served as financial adviser to dozens of companies. We have successfully arranged transactions as varied as the sale of Group Lotus to General Motors, an acquisition for Reuters Holdings PLC, the International Leisure Group buyout (Europe's largest-ever listed company buyout), and divestitures for Borden, American Standard and Union Carbide. Our world-class performance has resulted in our being retained by many clients for multiple assignments.

A world-class adviser must also have worldwide capabilities. Half of our 1986 and 1987 transactions have involved at least one overseas party. With professional staffs in place in New York, London, Tokyo, Toronto, Sydney, and across Europe and Asia, our expertise is truly worldwide. This gives us a major advantage over traditional financial advisers in helping our clients realise their global strategies.

Our ability to structure the most complex transactions and to combine various forms of finance makes it possible for us to design a package that meets the objectives of all participants. And our responsiveness to client needs has earned us a reputation for moving with unusual speed.

Providing financial advice is not the only activity at which we excel. Our merchant banking approach to doing business, coupled with our worldwide client base and capital strength, gives us an edge over traditional institutions in many areas. Among them:

Management buyouts. As a leader in structuring and arranging the financing for management buyouts, Bankers Trust can engineer entire transactions by providing or placing the equity and subordinated debt as well as the senior debt.

Eurosecurities. Bankers Trust is a major force in the Euromarkets, having lead-managed 51 Eurosecurity offerings totalling $7 billion last year. We are one of the most active participants in the secondary market, where we are a market-maker in over 600 different Eurosecurities.

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In financial advice, as in so many areas, merchant banking is an idea whose time has come. No wonder that an increasing number of companies are coming to the bank which practices merchant banking most skillfully. Bankers Trust.

Premier Brands Limited was formed to accomplish the management buyout of Cadbury Schweppes' beverage and food group—the second largest MBO in the U.K. last year.

Bankers Trust acted as financial adviser to the MBO team; structured an amortizing interest rate cap and jointly provided £75 million of the debt financing.

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Pity the poor pension scheme trustee...

As a busy trustee you may find yourself asking the following questions:
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- Or a segregated portfolio?
- How can I be sure the fund managers I have chosen invest selectively enough to exactly match my needs?
- Does the team I have chosen compare favourably in performance *terms with other groups?*
- Has it performed as consistently well as they made out in their presentations?
- Will my fund manager keep me in touch with how the investments are performing on a regular basis?
- Will he be attentive – or will he spend all his time working for private clients?
- How many other funds will he be managing?
- Will he give me contract notes?
- Valuations?
- Cash statements?
- Transaction statements?
- Is one fund management team enough – or should I have two or more?
- *Do I want a small self administered scheme?*

The list goes on. One thing you can be sure of is that they will all tell you that they are the best. Number one. Top performers.

But are they? Who can really tell which group is the best and for what sort of fund management. The short answer is Pensions Management.

Pensions Management is a monthly magazine published by the Financial Times to cover the booming pensions marketplace. Already thousands of trustees and advisers have come to rely on us for expert impartial advice on all aspects of pensions.

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Town and shop centres 'should be run jointly'

BY WILLIAM COCHRANE

BRITAIN's shopping centre industry yesterday put forward urban regeneration measures which, if combined with the *Government's own* inner cities initiative, might lead to far-reaching changes in the management of town centres.

At the inaugural annual conference of the British Council of Shopping Centres in Bournemouth, Mr Leonard Jarrad, senior partner of chartered surveyors *Hillier* Parker and president of BCSC, introduced a policy document saying that town-centre managers should be appointed to dovetail shopping-centre management with the needs of the town as a whole. The town-centre managers would extend the existing concept of shopping-centre managers.

The new managers would control and influence the operation and maintenance of the town centre; co-ordinate public works; involve public and private *organisations* in the environmental control budget; develop the "corporate spirit" of the town centre; promote the town, and develop its tourist potential.

He or she would deal with and co-ordinate bodies such as the police, traffic management, chambers of trade, public transport *and planning control, high*ways, landscape, street- lighting, and cleansing services.

The British Council of Shopping Centres public affairs committee, which prepared the policy document, says Britain's *traditional high streets* and planned town centre shopping schemes are under threat from out-of-town and edge-of-town shopping centres.

The committee says that many traditional British high streets are drab, squalid, congested, wet and draughty.

"It would be to the benefit of retailers, developers and local authorities", says the committee, *"to provide increased* comfort, security, cleanliness and pleasure for shoppers."

Consumers 'require new protection act'

BY DAVID CHURCHILL

LAWS TO protect consumers from rogue traders were called for yesterday by the National Consumer *Council* in response to Law Commission recommendations for reform of the 1979 Sale of Goods Act,which replaced earlier legislation.

Mrs Sally Oppenheim-Barnes, council chairman, said: "We should tear up this act, which has remained basically unchanged for almost 100 years, and start afresh."

The former Minister for Consumer Affairs went on: "A brand *new law to* protect shoppers when they are sold faulty goods is urgently needed."

She said the way courts were interpreting existing laws was taking away from consumers their fundamental right for a replacement or refund if goods were faulty when bought or soon after.

"Nothing is of more overriding importance in consumer affairs *today than to restore* that elementary right by means of simple, understandable and enforceable legislation - a completely *new Consumer* Sales Act," she said.

The council seeks other rules to govern motor-vehicle sales, like the so-called "lemon laws" *in the US. Those laws guarantee* refunds or replacements 'if consumers buy a so-called 'lemon", that is a faulty vehicle that cannot be promptly or efficiently repaired.

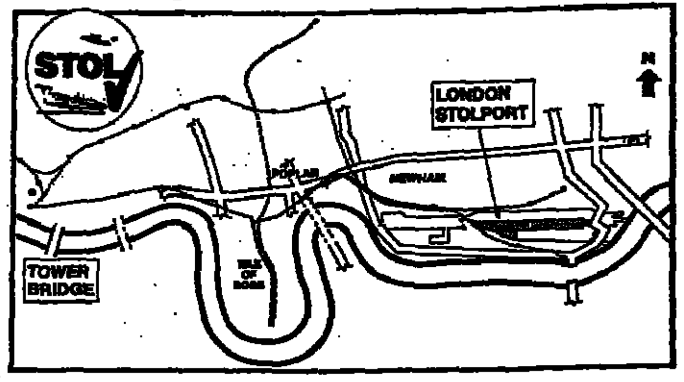
Some say the UK needs such *laws even more following a re*cent court case in which a motorist was told he was not entitled to a refund when a new car with a faulty engine broke down.

Mrs Oppenheim-Barnes said: *"This was an outrageous deci*sion which has made a nonsense of all the advice given in good faith by consumer bodies and lawyers over the years."

The council says the *Law* Commission proposals do not go far enough.

Steve Fidler takes a trip to Paris from London's Stolport

Chocks away at the City Airport



THE TAXI driver's decisiveness *had evaporated quickly. Asked* to make his way to the new City Airport, where in one hour I was due to take off for Paris, he headed eastwards with conviction. Two minutes later, he asked me if I knew where it was.

'Is it off the Silvertown Road?' he ventured. I was unable to *help, my East End geography* being only slightly superior to my knowledge of lunar topography.

A conference with another cab driver outside the Bank of England established that Silvertown Road was indeed our destination. Even committed East Enders, one imagines, would own that the taxi ride that followed would be no candidate for the Scenic Tour of Britain competition.

Sociologists might disagree. The old East End sits cheek by jowl with the new; decaying Victorian terraces next to the post-modernist homes of the newly rich with the benefit of better views over a muddy river.

The journey takes us past the high-rise blocks of the 1960s, dwarfing a solitary two-storey end-of-terrace house, converted into a pub called The House They Left Behind, then past ranks of disused cranes and the Royal Victoria Docks. A sign declares 'Demolition Works in Advance of Infrastructure Works'. *The airport is lit up like a vast* sports field.

It took 40 minutes from Cannon Street, in spite of the traffic that clogs the narrow streets at that time of day, and cost £13 including tip.

At the airport, the atmosphere is less frantic. One enters a cavernous building where a score or so of people are wandering around. It presents a stark contrast with *Heathrow* - if you like your airports frenzied, this is not for you. With or without luggage, passengers can check in 15 minutes before departure for the flights to Paris - there are *six* every weekday - and, in spite of the uncertain *start, I arrived with 20 minutes* to spare.

The newest international air service from the UK - it started a week ago - displays an air of an era one imagines existed before airline passengers became a commodity. Perhaps part of that was because everybody was trying harder in Week One, and the airport staff and airline employees had not yet been subjected to the pressures that harden the countenances of many of their counterparts at the other London airports.

Yet, in the modest departure lounge, it was rather pleasant when the loudspeaker system *apparently broke down* and a young woman, barely audible because of a frog in her throat, announced time for embarkation.

*The atmosphere was not bro*ken by walking out on to the asphalt and up the steps of the aircraft. The Canadian-built De Havilland Dash 7 is the only aircraft Brymon Airways is permitted to use from the City Airport *because it is so quiet.* However, many of the people who live nearby apparently believe it is only a matter of time before noisier jets are allowed.

Four huge propellers are sited on engines that hang beneath the wings. Of the 46 seats, *all but 10 are taken,* most of them by businessmen who judging by their reading material are British rather than French. The engines strike up one after the other and we are *already in* motion, after leaving precisely on time, before the third and fourth propellers are spinning.

As we sit on the runway, the propellers spin faster, the plane judders, the brakes are released and it accelerates. After a few moments - this is a short take-off and landing airport - we are airborne, heading east. The aircraft banks right and through the starboard porthole, in the direction of the setting *sun,* a lone water skier cuts through the placid waters of a disused dock.

Over the river, it is only minutes before one passes the M25 *London* ring road, a ribbon of moving lights as far as one can see. In the daytime, presumably most of south-east England is visible.

The aircraft does not fly as high as jets - we were over the English Channel *before* we reached cruising altitude of 13,000. That means, on a clear day, good views out of all the windows.

Presumably flying lower has its disadvantages - being no aviation expert I was unsure whether flying at 13,000 ft meant we were in, under or over the weather. However, paid-up members of the *White Knuckle* Club will be pleased to hear that in the absence of much weather, the flight was extremely comfortable.

There are drawbacks. One is a phenomenon known as tray creep. *This is when the vibra*tions of the plane result in the *gradual movement* of food trays towards the edge of the tables and the laps of passengers.

These are of course but trifles. The landing in Paris was uneventful, and we were there in 65 minutes, 15 minutes earli*er* than scheduled. Through immigration and customs, we were outside the arrival building at Terminal 2 at Charles de Gaulle Airport 70 minutes after take*off. While there is more time in* the air than on the competing services from Gatwick and Heathrow, that must be balanced against time savings on the ground. Non-members of the White Knuckle Club may well *find* there is enough time airborne to get some work done.

The general view of other passengers appeared positive, too. 'Much better than I expected,' said one apparently seasoned traveller to the cabin staff.

Two other passengers - from British Rail's engineering subsidiary - also enjoyed the flight. Loyal clients of their employers, though, they had decided to take the train to Silvertown and were forced to walk over what they described as a building site to get to the airport.

That problem should be cured fairly shortly, although it sounds no journey to make with a heavy *suitcase. Eventually, it* is hoped that the docklands light railway will be able to deliver passengers to the airport's doorstep.

Truck market 'faces 60,000 sales ceiling'

BY JOHN GRIFFITHS

THE UK truck market is likely to perceive 60,000 sales a year as a "high-water mark" for years to come, Mr Richard Ide, director of MAN Volkswagen, has told a meeting of the company's dealer network.

"In my opinion we shall view 60,000 as a high-water mark not just because of any lessening in demand, but because the road *transport industry is coping* with its traffic with remarkable improvements in efficiency", *said* Mr Ide.

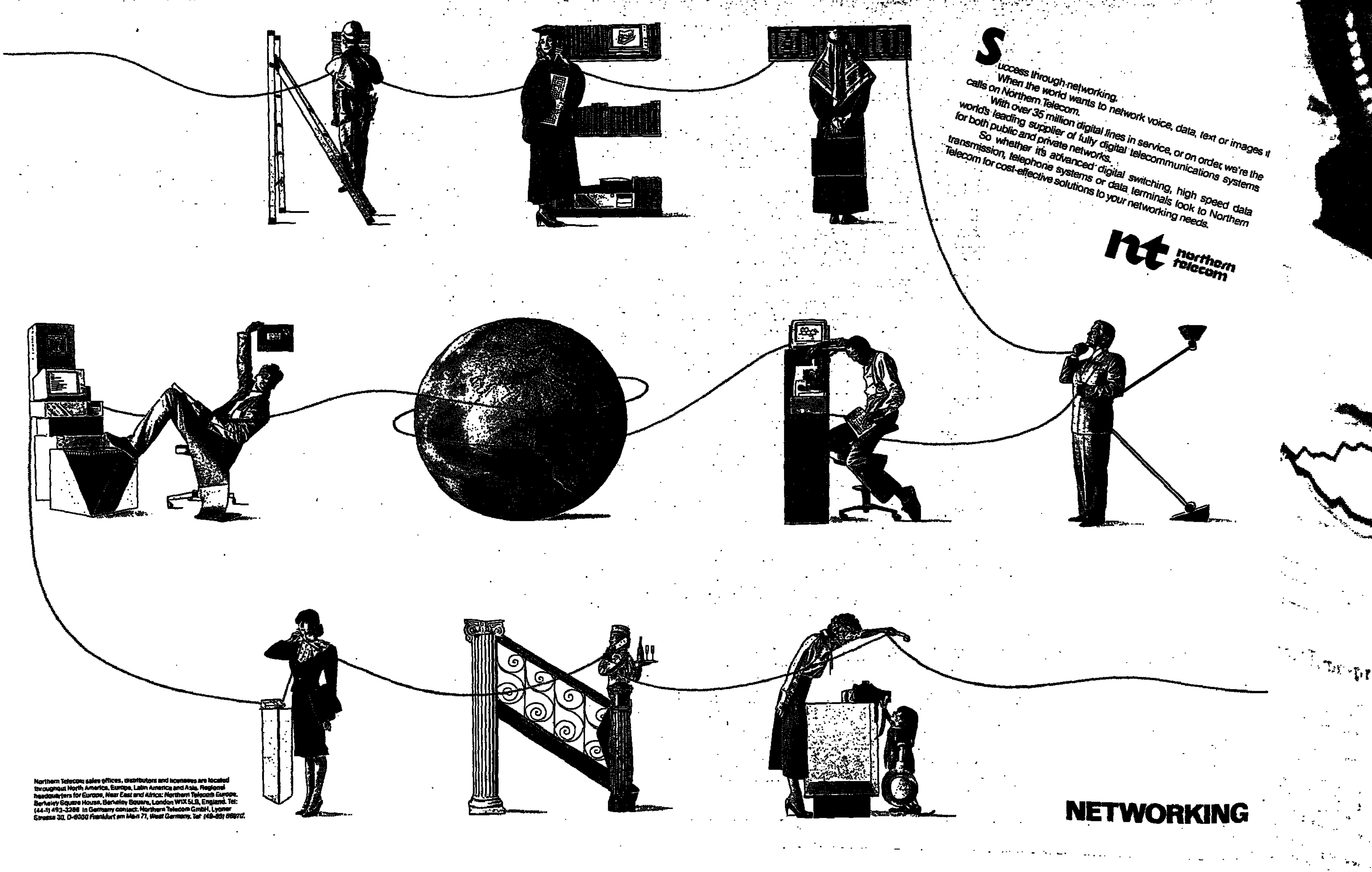
Improved trucks with higher payloads and better utilisation by operators meant that "increasing numbers of vehicles hardly ever cool down", said Mr Ide.

The UK market for trucks of more than 3.5 tonnes gross weight peaked in 1979 at 80,000 units but dropped to a lowest-ever 45,000 units in 1982 after the second oil crisis.

At that time, MAN Volkswagen forecast that the market would recover to reach at least 65,000 units in the current year. However, the market has reached only 55,000 units in each of the past two years. Sales totalled just under 44,000 at the end of the first nine months of the current year.

However, what appeared *to* have happened, said Mr Ide, was that "for the first since World War Two we have broken out of the debilitating cycle of famine and feast. The growth has been modest, but sustained."

Mr Ide said that trucks produced by MAN, which are marketed in the UK by MAN Volkswagen, had secured a 4 per cent share of the market compared with 1.5 per cent five years ago. He forecast that over the next five years, MAN could secure higher shares - of up to 13 *per cent - in some specialised* market areas such as eight-wheelers.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NETWORKING

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Investment

Some coins more equal than others

LONDON, 15. October. The multitude of coins available today places many a novice in a quandary. They are offered in all sizes and designs, and at all price levels through ads in the dailys or at banks or coin dealers.

Caveat emptor. Not all that glitters is a coin. Basically, there are five different types.

1. Bullion Investment Coins. Gold bullion investment coins are sold solely for the intrinsic value of the precious metal. They are produced in large numbers by major gold producing countries, such as Canada, Australia and U.S., thus are traded at a small premium over the actual price of the metal. As they are a pure investment vehicle, like gold bars, they have no numismatic value. They are favored over gold bars by investors as a store value, as they are more transportable and easier to trade. The value is easy to keep track of, as their price is based upon the daily fixing of gold.

2. Numismatic Coins. In general, these are coins which are bought by collectors for their beauty, as opposed to the value of their precious metal content. However, a truer definition would include those coins struck prior to 1804. The price has no relation whatsoever to the actual value of the metal. The factors determining the price of a coin are rarity, age, and condition or qu... the striking.

3. Semi-numismatic Coins. These are coins that were struck after 1804, however prior to 1850. The same criteria as those used with numismatic coins are used in determining their value. The buying and selling of one of these coins is, however, easier since they are available in greater quantities than those struck prior to 1804.

4. Current Coins. Current coins are those struck after 1850 and were in circulation during the time of the gold standard. There are still large quantities of these coins available today. The price is related to their gold content plus a fairly high agio.

The collecting of numismatic and semi-numismatic coins can also be considered a form of investing, however usually it is merely a rather expensive hobby. Current coins fall into a category between hobby and investment, since they also maintain ... value, even if the price of precio... should fall.

5. Medallions. ... col- lectables, but ... dered an investme... ued at some s... an anniversa... in value is ... ed and to ... ar- ally ... ys a r... es of ... r...

Is m... in...

NEW YORK ... blems in the ... United States ... ing the expert ... health of the ... question if this ... or are more ... closing, resulting ... all their customer... point to similarities to ... to the crash of '29, just ... have arguments to point o... different. This adds to the co... uncertainty that ... around for a safe h... before it is lost to ... failure.

All paper instru... or securities, are su... tions caused by in... control of fina... government bodies. ... out that precious me... gold, offer the ideal store o... value is intrinsic and not a... that of paper money.

Gold is international ... to the fortunes of any ... banking system. It can brin... sense of security, as it is ... surance policy ag... would come in a b...

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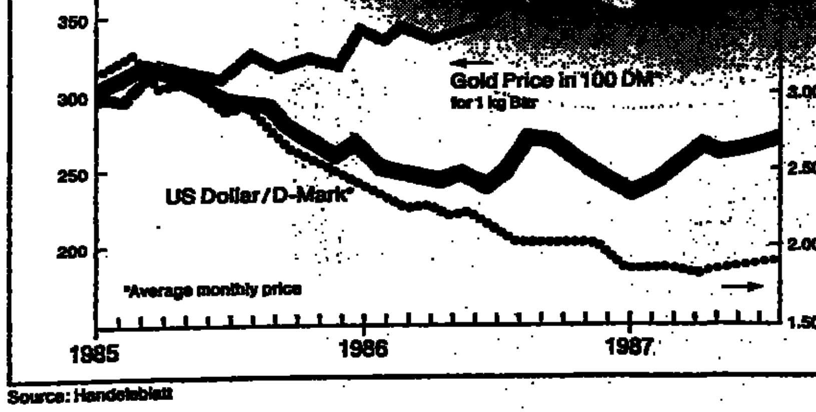


Source: Handelsblatt

Cavelti "Time-proven investment"

Since the price of gold was freed in 1970 to move with market forces, it has risen to new heights, and fallen just as often.

Precious metal and finance experts continually try to analyze the price development. But, the gold metal remains unpredictable. Rising or falling dollar exchange rates, wars, and financial crises are no longer a guarantee for a rise in the price of gold.

The peak in the price of gold was reached at $850 for one ounce in 1980. Currently, the price ranges between $400 and $500. In spite of this, investment advisors recommend to follow the golden rule – hold ten to fifteen percent of an investment portfolio in gold.

The reason is simple, explains Peter C. Cavelti, President and Chief Executive Officer of Cavelti Capital Management Ltd. in Toront, Canada, and an internationally recognized expert on precious metals: "Gold is an unbeatable investment vehicle that protects prosperity at all times, even during crisis." Cavelti has banking experience in U.S., Africa and Asia and belongs today to the most sought-after precious metal advisors.

Gold Maple Leaf makes a breakthrough

World's gold coin standard / Grows in popularity / Even attractive for small investor.

OTTAWA, 15. October. Gold, prized as a store of wealth over the ages, has not lost its shine even in the age of high technology and cashless transactions. This has been felt recently by the Royal Canadian Mint. According to a spokesman for the Mint, demand for the Gold Maple Leaf, the Canadian gold bullion coin which is struck in four sizes, has recently been brisk. Observers of the financial world contribute this to various factors. The primary reason is felt to be its universal recognition which ensures ease of trading wherever gold is sold around the world. Of almost equal importance is its unusual purity of .9999 or 24-carat. Most other gold coins rarely exceed .916 or 22-carat, the purity of the South African Krugerrand (which is no longer being produced).

A further aspect is that the Gold Maple Leaf is legal tender in a country known for political stability and for being a dependable trading partner. Since the coin is easily convertable currency, it is sold in most countries free of a value added tax. This is true in Luxembourg, Switzerland and Austria, while a minimal tax is charged in Belgium (1%) and Holland (4%).

Since the Gold Maple Leaf is struck in ...ur sizes, it is able to satisfy the varying ...ent needs of all investors. It is ... one full troy ounce of pure ... 1/2, 1/4 and 1/10 ounce of ...es the coin attractive ... the benefits of owning gold. The Gold Maple Leaf, which has been available since 1979, is produced only from gold mined in Canada.

This accounts for its unusual yellow color compared to coins mixed with alloys. The use of Canadian gold is a requirement of the charter of the Royal Canadian Mint and it serves to support the Canadian mining industry. Gold was first discovered in Canada in 1858 and has been continually mined ever since. Canada is currently the third largest producer of gold in the world.

This objective is clearly being fulfilled, as indicated by sales results of the Canadian coin. Since its introduction in 1979, over 10 million Gold Maple Leaf coins – that's over 300 tons! – have been sold around the globe. The biggest jump came in 1985, when sales doubled. This was caused by a favorable price of the precious metal and an increasing interest in this bullion investment coin, following the demise of the South African coin.

Why do more and more investors prefer bullion coins to its cousin, the gold bar, or wafer as it is sometimes called? One key reason is their liquidity – a coin enjoys universal recognition and can't be counterfeited. Gold bars may enjoy a solid reputation in their local market, however usually require a ...tly and time-consuming assay in other p... of the world. Gold bullion coins are ... by governments, whic... ...ight and ... respect, the Royal Canadian Mint is especially strict. Although the purity of each Gold Maple Leaf is given as .9999, it is actually closer to .99995. The weight on each coin is strictly controlled, with the weight struck on the coin being a minimum guaranteed by the Government of Canada. Independent tests have even shown that the coins are all above the minimum, showing that the Royal Canadian Mint gives a little gold away to ensure they meet the guarantee. No other coin has yet to show similar results.

It is fair to point out that a gold coin, and a bar for that matter, provides the owner with no interest. However, it can be still considered an investment instrument, but for other reasons. This is because it is a speculative object. But, more significantly, gold has been proven over time to be the surest store of value. Gold bullion coins will not multiply but, as the saying goes, they bring peace of mind. They can anchor a portfolio that is made up primarily of more speculative instruments, as they will gain in value when others are losing theirs. Inflation and economic crisis only eat up other investments, while feeding the value of gold. That's why most experts agree that 10 to 20% of a portfolio must be in gold. An ideal way to keep this golden ru... with Gold Maple Leaf bullion ... With no guarantee of the fut... ...nomy, it is comforting t... ...rity and weight are ... ...iquidi...

...ation of most banks a... experts, in every individual ... portfolio. The question is w... best way to own gold?

The choice between bullion c... bars, certificates or a precious me... account depends upon the wants and needs of the individual investor. In addition, such aspects to consider are the availability of gold, the possibilities for resale and also personal taste of the ultimate owner.

Weight and Purity. Traditionally, the gold trade has dealt in troy ounces – one troy ounce equals 31.1035 grams. Today, however, the metric weight system is also accepted and used, thus gold is available in grams, kilos and tons.

Of particular importance is the purity or fineness of the gold. With small bars, or wafers as they are sometimes called, and the leading bullion coins, such as the Gold Maple Leaf, a purity of .9999 is normal. This means that the given piece contains no more than one ten thousandth of foreign matter. However, it really means that a greater purity is not possible nor really necessary.

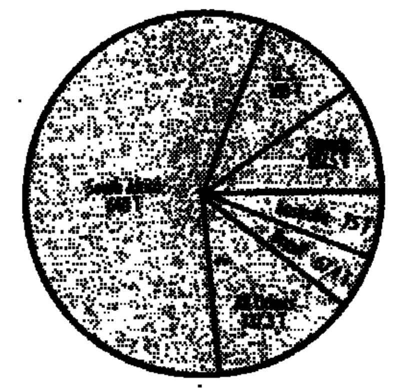
Coins – solid and liquid. One differentiates, more or less, between numismatic coins and newly minted coins, or the so-called bullion investment coins. Nu... ...coins. ... ounce, ... so that inv... gold to meet their n... of needs.

Most bullion coins enjoy international recognition and cannot be counterfeited. They can be exchanged for cash on demand most anywhere in the world where gold is traded. This contrasts to gold bars, which have been known to be counterfeited, thus usually require an assay to determine their purity. This is not only costly for the seller, but also takes time and requires formalities. The price of the leading coins can be found in the financial pages of most major newspapers. Or it can be determined from the daily fixing of gold. Many countries impose a sales tax on gold coins, as well as bars.

Bars-Familiar but not universally recognized. The majority of bars sold today range from 1 gram up to 12.5 kilograms. The small bars are produced at a purity of .9999 fine gold. The trade accepts only bars from a reputable refinery which have a serial number. When there is ... bar a... coins, ... taxes vary by ... usually similar to ... The price is directly rela... fixing of gold, which is qu... ...ces.

Gold Certificates – Paper as good as gold. The advantage of this form of investment in gold is that no tax is levied on the ownership of gold. The precious metal remains in the possession of a bank, which usually maintains this in a no-tax area. The disadvantage is that there is usually a minimum purchase amount, that varies from bank to bank – for example 10 Gold Maple Leafs or 500 gram bars – which makes this form unattractive for small investors. Another factor is that one doesn't have possession of the gold, which reduces some of the psychological benefit of owning gold.

1986 Non-Communist Gold Production



Source: Consolidated Gold Fields

Investment can also be beautiful

FRANKFURT, 15. October. The Royal Canadian Mint created not only a major bullion investment coin, but also a coin recognized and appreciated around the world for its beauty. Although this is not the main criteria in choosing an investment instrument, many find added value in the quality of the design and striking.

As with all Canadian currency, the front depicts the effigy of Queen Elizabeth II, reflecting the historical relationship with England. The reverse side shows the symbol of Canada, a maple leaf, which has been captured to perfection by the engraver.

Prominently displayed are also the key facts about the coin, such as its origin; value (either $50 Cdn, $25 Cdn, $10 Cdn or $5 Cdn); weight (either 1, 1/2, 1/4, or 1/10 ounce); purity – .9999; and date of striking. The first coin was struck in 1979.

One Eagle that doesn't fly

FRANKFURT, 15. October. Anonymous sources in banking circles in ...kfurt, Zürich and London ... that the U.S. Eagle is not ... the same level of success in ... as it has in its home market. ...ropean investor continues to ...ore traditional gold products ...as small bars or the better ...ished Gold Maple Leaf. ...ts say that less popular coins ... do not enjoy the same liquidity ...e popular coins.

...ading ... statis- ... households ... assets. This ... in the late 20's. ...ly led to the cur- ...ere the middle and ...ety are over-extended ... borrow. The result is ...k placed upon the ... Parallel to this is ...t in speculation ... few, forcing the ... limits daily. The ...w long can the ... out before it ...is subject is ...he forefront ...d financial

...and downs of gold coin

...AN, 15. October. Recent reports ... indicate that the coin from ..." stays down under in sales ... competitors. After ini... ...cess in markets without ...tors, the Australian ...ying down. Sales of ...e Leaf, recently ...uickly eclipsed ...wealth partner. ...onymous sources in gold trading circles attribute this to the stronger international position of the Canadian bullion coin, which ensures tradability and liquidity.

Gold production up.

OTTAWA, 15. October. With a yearly production of over 100 tons (107 tons in 1986), Canada is third largest producer of gold in the non-communist world.

The first discovery was made in 1858 at Cariboo, British Columbia. Today, forty-one mines produce the majority of this precious yellow metal. However, prospectors still roam the backwoods, searching for the hidden lode and dreamed-of riches.

The greatest amount of gold is mined in Ontario. Recent discoveries in the region around Hemlo made headlines around the world and boosted share prices. The main reason for the jump was the revised estimate of the gold reserve in this area: before the discovery reserves were felt to be around 130,000 ounces – today they are known to be closer to 17 million fine ounces of pure Canadian gold. Enough to keep the Royal Canadian Mint busy striking Gold Maple coins to meet the needs of investors around the world.

'Wrecking' threat to committee system

By Michael Cassell, Political Correspondent

MR Derek Foster, Labour's Chief Whip, yesterday threatened to wreck the House of Commons select committee system if the party was prevented from including members of the Campaign for Nuclear Disarmament on the all-party defence committee.

The warning follows objections from some Tory backbenchers about Labour plans to include two CND representatives on the committee, who they claim could represent a threat to national security.

Government whips, however, are thought to be unconcerned about the proposals and are unlikely to object to them when, together with the composition of all other select committees, they are put by the Committee of Selection before the Commons for approval.

Some Tory backbenchers, nevertheless, seem certain to state their opposition to the move, which could force a short debate on the issue but which would be unlikely to overturn the Committee of Selection's recommendations.

Mr Foster said on BBC radio yesterday the idea that the Ministry of Defence might restrict information to the defence committee made a mockery of the principle of scrutinising what government departments were doing.

He said he regarded the matter as an issue of "the highest constitutional importance" and said Labour would press ahead with its plan for nominating two CND members.

Mr Foster said that if a Commons vote rejected Labour's nominations, the party "would have to find a way to stop the select committees from meeting."

Minister hints at likely electricity price rise

BY TOM LYNCH

MINISTERS yesterday appeared to accept that electricity prices were likely to rise in the near future.

Mr Cecil Parkinson, the Energy Secretary, told the Commons at Question Time that the electricity supply industry had to show a higher rate of return on investment to finance its £3bn capital investment programme - about £1.3bn in 1987-88, more in 1988-89 and an increasing trend in later years.

Mr Parkinson rejected a suggestion by **Mr John Prescott**, the shadow Energy Secretary, that privatisation would itself push electricity prices up because economies of scale would be lost. The industry was "entering a phase of massive investment and re-equipment" and the CEGB and future private investors should get a reasonable rate of return on capital.

"Whether the industry stays in the public or private sector, the rate of return in the industry has to be improved if the investment programme is to be funded."

He insisted that British industry needed security of supply, and this necessitated heavy investment at a time when many older coal-fired and nuclear power stations were nearing the end of their usefulness.

Mr Prescott said CEGB data showed that the cost of electricity in countries such as Japan and the US where electricity supply was in private hands, was double the figure in countries such as the UK and France with state supply undertakings. He said a rise in electricity costs would be "the price the consumer is going to pay for the privatisation of electricity."

Mr Peter Rost (C, Erewash) said any new power stations ordered in the run-up to privatisation should only go ahead if the investment could be justified on the basis of a commercial rate of return on capital, otherwise future investors in new generating plant would be at a disadvantage.

Mr Parkinson told him the industry had to invest "on a real commercial basis, and that is what it will be doing." Plans for the privatisation were "evolving nicely - they are on schedule."

The minister curtly told management and unions in British Coal to "stop wasting time on useless work-to-rules and overtime bans" and use the Government's £2m-a-day investment to ensure its future in supplying to the generating companies in the privatised electricity supply industry.

He said he was confident British Coal had a secure future if it used its investment programme properly, and argued that the case often made on cost grounds for imported coal was overstated - a move by the CEGB into world markets would put prices up.

Mr Parkinson said the current overtime ban over British Coal's disciplinary code was "the most ridiculous aspect of British Coal's industrial relations." It was a "wasteful dispute" which was damaging to the interest of miners and the industry, and he defended the management's conduct of the dispute.

Mr Alex Eadie, from the Labour front bench, said the BC board had been "found out to be deceiving the public over the question of the code of conduct," and he contrasted statements by BC that the overtime ban was ineffective with its refusal to implement a pay rise while it continued.

●Mr Parkinson joined in congratulating power workers who had restored power supplies to the south-east of England after the recent hurricane. He said they had rebuilt in two weeks a rural distribution network that had been 20 years in the making.

Merger talks to focus on prospectus

BY OUR POLITICAL CORRESPONDENT

SDP-LIBERAL talks over the creation of a merged party resume today and are likely to be dominated by the crucial question of whether a joint policy prospectus should form part of any negotiated package.

Since Mr David Steel, the Liberal leader, left for a visit to the United States, Liberal negotiators have expressed concern about a broad agreement he reached with Mr Robert Maclennan, the SDP leader, on the need to draw up a policy stance before any new party is launched.

Last week Mr Maclennan stressed that a joint policy prospectus was a necessary prerequisite for any negotiated deal and warned that if it was not agreed the merger talks would be considered a failure.

The feeling within the Liberal leadership is that while there are some reservations among negotiators about the advisability of laying down policy in detail before the new party is launched, the issue must not be allowed to jeopardise the merger talks. The view is that the political necessity for a prospectus is not in question

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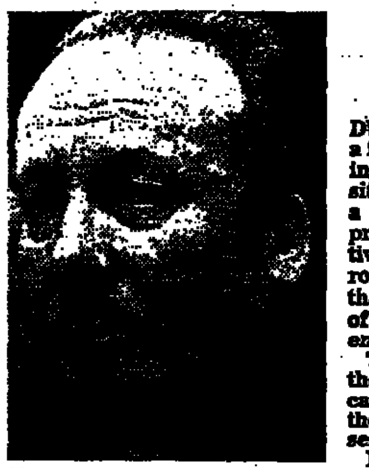

Sir Philip Woodfield: anger over his appointment

Opposition to MI6 counsellor

By John Hunt

SIR Philip Woodfield, a former senior civil servant, has been appointed as a staff counsellor to the security and intelligence services in an attempt to prevent further security scandals of the type that have embarrassed the Government over recent years.

The intention is that by listening to the worries or doubts of members of these services Sir Philip would prevent cases like those of Mr Peter Wright, Mr Michael Bettaney and Ms Cathy Massiter in which the inside workings of the security and intelligence services have been given widespread public exposure.

But the announcement provoked an angry reaction from the Labour and Liberal parties who maintained that the proposal did not go far enough to reassure public opinion. They argue that there should be a greater degree of public accountability to parliament and were also annoyed that Mrs Thatcher made the announcement by a written answer and not by an oral statement to the House on which she could be questioned.

Sir Philip, aged 64, was Permanent Secretary at the Northern Ireland Office from 1981 to 1983 and was previously at the Home Office. He had dealings with the intelligence community in those jobs. Since 1984 he has been chairman of the London and Metropolitan Staff Commission, which has been sorting out the staffing position following the aboliton of the Greater London Council and the metropolitan county councils.

His appointment is purely internal and no report will be made to the Commons about his activities.

In a letter to the Prime Minister last night Mr Neil Kinnock, the Labour leader, called on her to make an oral statement. He said that the appointment was a step in the right direction but it did not go far enough.

Safety instead of sparkle

DURING the election campaign a familiar figure was seen walking across College Green opposite the House of Lords, wearing a baggy pinstripe suit, but, probably alone of all Conservative candidates, no blue party rosette. Asked why, he joked that there was a 1-in-20 chance of meeting one of his constituents in the area.

This anonymity was typical of the shyness and affability of the candidate - Mr Peter Brooke, the new chairman of the Conservative Party.

He is very much an insider's politician, respected by colleagues. But he has never sought a high public profile, either as MP for the City of London and Westminster South since 1977 or as a minister.

Mr Brooke is the quintessential safe pair of hands, a decent, solid man who will keep Conservative Central Office on the rails, and leave the main task of being a public spokesman for the Government to members of the Cabinet.

He will also be seen as an interim appointment for the next two years, supervising the necessary reorganisation, until a more senior figure - possibly even Lord Young - becomes chairman in the run-up to the next general election.

Mr Brooke is very much a team-player rather than a prima donna. This was reflected in his business career when over 18 years he built up from scratch the London office of the US management consultancy, Spencer Stuart. He was one of the pioneers of headhunting in Britain and is remembered as being painstaking and conscientious (incidentally being involved in recruiting the first chief executive of the Stock Exchange and a director-general of the CBI).

Similarly, one minister recalls than when they disagreed at a meeting, Mr Brooke sent round a lengthy handwritten note the next day explaining the Treasury's position.

He is also noted for his cleverness and liking for quizzes, even passing notes with tests during the dull phases of Commons committees.

Peter Brooke: born into politics

Peter Riddell on the new Conservative Party chairman

The key to Mr Brooke is that he was born into politics. His father was the controversial Conservative Home Secretary of the early 1960s, Henry Brooke, while his mother was heavily involved in the voluntary side of the party.

Now aged 53, he was educated at Marlborough and Balliol College, Oxford, where he fought Mr Paul Sarbanes, the US Senator for Maryland, for the presidency of the Junior Common Room. He was president of the Oxford Union, and, unusually for a Tory, was active in the National Union Students, before being a Harkness Fellow at Harvard Business School.

Like his predecessor, Mr Norman Tebbit, Mr Brooke has Financial Times connections, having worked as a correspondent in Switzerland from 1960 to 1961.

Alongside his business career, Mr Brooke was active in local government, on Camden council, and on the governing body of various schools.

After fighting Mr Neil Kinnock in Bedwellty in the October 1974 election, he became an MP in Febraury 1977 when Mr Christopher Tugendhat resigned to become an EC commissioner.

He then rose steadily up the insider's route, as a whip from 1979 to 1983, then as undersecretary responsible for higher education. Just under two years ago he was promoted to become a minister of state at the Treasury, where he impressed Mrs Thatcher and fellow ministers for his handling of the thorny and complicated question of EC finances and Britain's contributions, particularly when he chaired the Budget Council in the second half of 1986.

His thoroughness and expertise were recognised this June when he was given the title of Paymaster General within the Treasury. This followed speculation that he might become Chief Whip.

Throughout his political career Mr Brooke has had a reputation for diligence rather than sparkle. He will now have to show whether there is political steel beneath the affability. That is what will be needed if Conservative Central Office is to be reorganised.

Moore attacked over loss of benefit entitlement

BY IVOR OWEN

NEW restrictions on entitlement to unemployment benefit proposed in the Social Security Bill could have the effect of removing up to 170,000 claimants from the unemployment register, **Mr Robin Cook**, Labour's shadow Social Services Secretary, told the Commons last night.

He accused the Government of introducing provisions designed to coerce unemployed teenagers under the age of 18 into entering the Youth Training Scheme and of effectively depriving men and women aged between 55 and 60, who belong to occupational pension schemes, of the right to unemployment benefit if they become redundant.

Mr Cook's catalogue of criticism brought a hint of at least one concession from **Mr John Moore**, the Social Services Secretary.

The minister made it clear that a provision restoring the law on entitlement to attendance allowance to what the Government thought it to be before a judgment by the Court of Appeal would not be allowed to inhibit payments in cases already "in the pipeline".

Mr Cook gave notice that the Opposition would contest most of the bill's provisions and contrasted the Government's determination to curtail social security expenditure with the expectation of more hints of income tax cuts when Mr Nigel Lawson, the Chancellor of the Exchequer, makes his annual public expenditure statement today.

Mr Moore reminded the critics of the bill that the Government's proposals for denying unemployment benefit to those aged under 18 who refused a place in the Youth Training Scheme were included in the Conservative Party manifesto

FT bids likely to be referred

MR FRANCIS MAUDE, the Corporate and Consumer Affairs Minister, has indicated that any takeover bid for the Financial Times would be referred to the Monopolies and Mergers Commission.

Mr Maude was responding in a letter to Mr Malcolm Bruce, the Liberal trade and industry spokesman, who had expressed concern about the 14.7 per cent of Pearson, the FT's parent company, held by Mr Rupert Murdoch's News Corporation.

The minister said takeover legislation was "clear on the question of the Financial Times." The Trade and Industry Secretary was required to refer to the MMC any bid for a newspaper with a paid-for circulation of more than 25,000 unless there was evidence that it was not a going concern or the case was urgent.

However, he said, the Trade and Industry Secretary could not prejudge what decision he would eventually make.

Long haul to 'electable socialism'

Michael Cassell traces Labour's efforts to find a way out of the opposition wilderness

IN SPITE OF Labour's determination to beef up its lacklustre House of Commons performance as Her Majesty's principal opposition, much of the party's energies will, over the next few months, inevitably be turned inwards in the search for a fresh formula for "electable socialism".

In just over two weeks, a joint session of the party's national executive committee and shadow Cabinet will put the finishing touches to a review of strategy and policy which is ultimately designed to end what will be more than a decade of political impotence on the opposition benches.

The search for an electorally attractive political slate, announced by Mr Neil Kinnock, the Labour leader, at the party's annual conference in Brighton a month ago, has been greeted with enthusiasm, suspicion and outright hostility by various elements within the party.

Though Mr Kinnock is adamant that nothing short of an all-embracing rethink of party policy is acceptable, neither can he or his colleagues be in any doubt about the outlook for more internal fighting of the kind which has in the past so badly damaged Labour's standing with the electorate.

No one within the leadership is under any illusions that there will be complete unanimity at the end of the policy review process. Labour's purist left has already heard enough to know that it will not like the outcome of an exercise which it feels, in acknowledging the impact of Thatcherism, is intent upon betraying socialism.

The feelings of the hard left quickly and predictably surfaced at last week's NEC meeting, with attacks on the "revisionists" by Mr Dennis Skinner, the MP for Bolsover, and Mr Tony Benn, the MP for Chesterfield. Mr Skinner was alone in voting against the review by voting down funds for the exercise while Mr Benn repeated his apocalyptic forecast of imminent, international chaos and claimed that the review was, as a result, totally irrelevant.

It seems most likely, therefore, that while they will step up their public calls for undiluted socialism, they will decline to take part in a review which would soil their radicalism and which they know will find against their own philosophical blueprint for success. Other left-wing NEC members, like Ms Jo Richardson and a new recruit, Mr Ken Livingstone, are unlikely to prove as openly hostile to the proceedings and Ms Richardson has already accepted a key post on one of the seven policy review groups to be established.

But if there is to be dissent, Mr Kinnock is confident that three election defeats, together with the threat that another could permanently consign the party to the political wilderness, will provide the momentum to conclude the painful re-examination successfully.

The list of joint conveners for the review groups clearly underlines the Kinnock grip on the party and the policy rethink. For example, Mr Bryan Gould, the party's trade and industry spokesman, who has horrified the left wing with his references to wider share ownership, will jointly chair the group investigating economic policy while Mr Gerald Kaufman, the shadow Foreign Secretary from the party's centre-right, will take the same role on the group examining Labour's defence strategy.

Another of the key working groups, which will be expected to report back to the NEC-shadow Cabinet by next April, will be on the economy, with Mr John Smith, the shadow Chancellor, heading it as a joint convener. Last week, the NEC passed an emergency resolution noting the "failure of capitalism" and endorsing a Ken Livingstone amendment which called for a major extension of democratic control, planning and regulation over the financial sector.

Mr Kinnock's own ideas on the subject might not go as far as the former GLC leader's but he later confirmed his belief that self-regulation in the City had failed and would have to be replaced by a more formal system. He also stressed that new controls - involving the Bank of England and an unapologetically interventionist government - would be a priority in the drive to ensure that the financial system met the needs of British industry.

But however much the review process is structured to produce results acceptable to the Kinnock leadership, Labour is going out of its way to stress the validity of the exercise, pointing to what it claims will be an unprecedented degree of internal and external consultation. As one senior party official said last night: "This is not going to be a case of the leadership simply pulling rabbits out of the hat. The way to legitimise the review and its outcome is to ensure that all points of view are canvassed and considered."

Next month, the party will start its "Labour Listens" campaign, which is designed to complement the policy review by seeking out the views of the electorate. Meetings will be held around the country and targeted towards specific groups like the low paid and pensioners.

Throughout next summer, the preliminary findings of the two exercises will be welded together and presented in the form of an outline statement to the party's annual conference. Detailed policy work will then occupy the next 12 months, so that Labour's new electoral platform can be revealed in 1989.

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Nick Garnett on a vital components sector's consolidation effort

Pump makers go for acquisitions

THE WORLD'S pump industry, a low-profile but vital component supplier to almost every manufacturing sector, has begun a painful and slow reshaping through a series of acquisitions involving US and European companies.

The purchase, announced in the past month, of two UK pump makers, SSP and MPL, by Alfa-Laval of Sweden marked the latest, if small, step in this process.

Although the changes so far are limited, one major theme emerging is a concentration of production capacity in a fewer number of bigger companies.

Elements of this reshuffling in ownership this year, for example, include the acquisition of Pleuger in West Germany by Dresser, the US heavy engineering group.

At the same time Mather and Platt, the UK pump-making arm of the Australian Wormald International group, was bought by Weir in Scotland, while both Scanpump in Sweden and Goulds of the US have been absorbing new businesses.

Part of this restructuring, which has affected all of Europe's main pump-making nations and, to a much lesser extent, North America, involves companies buying market share through acquisition.

Some of the bigger companies have also been spreading their risks by buying companies which manufacture pumps outside their existing product ranges. In a number of cases it has proved cheaper for companies to do this than to develop a technology unfamiliar to them.

A further important influence has been the desire of Dallas-based Dresser under Mr John Murphy, its chairman, to become a dominant force in pump-making. This is a goal it is well on the way to achieving.

The backdrop to this activity is a market of exceptional price sensitivity and competition, with production operating only at an estimated 50 per cent of capacity.

Literally hundreds of pump companies, some in very specialist niches, are fighting for survival, making pumps from very small devices weighing a few kilograms to monstrous machines used in the offshore oil industry.

The market is very broad. Pumps are in operation wherever liquids or soft solids are being moved, from food processing and the paper industry, to domestic central heating systems and sewerage, and on construction sites.

But the world export market, which was worth about $4.4bn in 1980, plunged to $3.5bn three years later, as the shrinkage in heavy engineering and the slide in the North American oil industry took its toll. The market has picked up, but only to $3.7bn last year.

Another shifting feature of the landscape has been the presence of Japanese and South Korean participants. The Japanese have some very large pump makers. In terms of sales Ebara ranks alongside Dresser and Klein, Schanzlin and Becker (KSB) of West Germany, the biggest pump maker in Europe.

In the early 1980s, European pump makers became increasingly unsettled at the prospect of Japanese producers such as Tsurumi sweeping them aside in small submersible pumps.

"We thought this was going to happen but it never did," says Mr David Calladine, marketing director in the UK for Flygt Pumps of Sweden.

But instead, the Japanese - and, more recently, the Koreans - have strengthened their grip on slices of the market for very large pumps, mainly because of their success in winning big construction contracts. Sales figures indicate that, for the time being at least, the Japanese thrust might have peaked.

Dresser was catapulted into the league table of major players three years ago with its purchase of Worthington, then a far bigger pump maker than Dresser's Pacific Pump division, and with a wide product range of standard pumps for the oil, water and paper industries. Dresser also purchased the 50 per cent interest held by Weir of Scotland in Worthington Simpson, Worthington's UK arm.

Dresser has just added to this business with the purchase of Pleuger, part of the American TRW group. This takes Dresser into special submersible pumps for irrigation, drainage, and offshore applications, reinforcing its position as one of the top three of the world's largest pump producers and confirming its drive to become a bigger supplier of fluid power equipment.

"There is a need for economy of scale and consolidation in this industry," says Mr Herb Ryan, Dresser's director of investor relations. "We are hopefully seeing this taking place right now but it is still tough.

"Our strategy is to concentrate our focus on energy-related activities, particularly where there is engineering content."

The two recent purchases by Alfa-Laval from Gallaher in the UK reflect one of the trends in the industry - buying market share through adding on businesses whose technology is already known to the purchaser.

In this case SSP, the UK's biggest producer of lobe pumps for handling soft solids such as jam and other food products, is being merged into Alfa-Laval's business already in this sector.

MPL, a maker of "dosing" pumps used for injecting small amounts of liquids into larger volumes of other liquids, will be welded into Alfa's Hamburg-based Bran Luebbe company, which is already in this field.

Alfa-Laval is not the only Swedish pump maker on the move. Scanpump, which has a powerful hold on the world market for pumps in paper-making, has bought Pumpex, another Swedish company specialising in submersibles.

It has also entered a new market with the acquisition of Pullen Pumps in the UK, which supplies the building services industry with equipment such as industrial heating pumps.

KSB, with sales of DM850m ($475.8m) last year, showed its intention of defending its pre-eminence in Europe with the purchase three years ago of Pompes Guinard, which has a substantial share of its domestic French market.

The industry was expecting KSB to move again in the acquisition field but it has not done so. The general trend towards consolidating power in fewer hands in Europe, though, was underlined again this year with the purchase of Mather and Platt by Weir.

One of the reasons for this acquisition was that it gave Weir access to Mather's so-called split case pump, a technology Weir was not involved in and which hampered its competitive position against other companies like Ingersoll.

Now a $165m turnover company in pumps, Weir also has a 30-acre site in Manchester and a lot of scope for rationalising and cost-cutting.

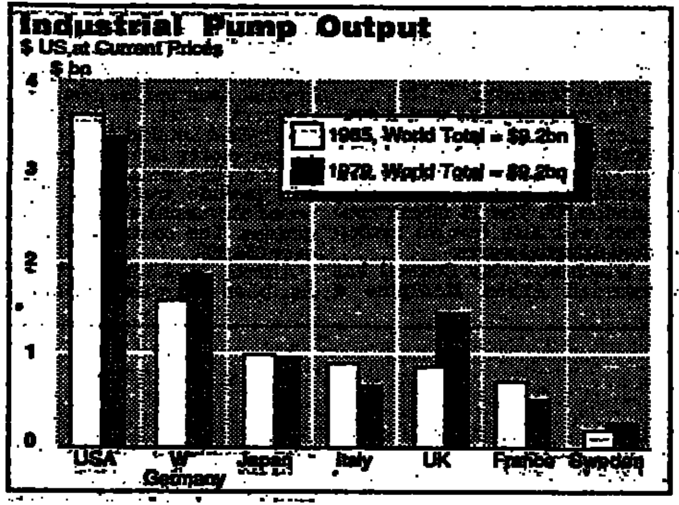
Goulds, the Illinois industrial group has also been quietly expanding in fluid power and is now a leading pump producer. It recently purchased Lowara, an Italian maker of submersibles, in a complicated deal which gave Lowara a stake in the US company.

It is a fact in so many sectors of what might loosely be termed mechanical engineering that the speed of factory closures never catches up with the twin pressures of flat demand and improvements in manufacturing technology, which means that more equipment can be produced in less floorspace.

In pump manufacturing, very few companies have disappeared during the past three years, despite this reshuffle in ownership. In the US, most of the individual pump manufacturers remain.

And for all the changes in Europe, a report last year by Frost and Sullivan, the market analyst, showed there were still more than 40 West German and 15 UK companies with annual sales of more than £6.5m ($10.9m).

This continuing proliferation of pump manufacturers will ensure that the industry's chronic problem of overcapacity remains for a long time to come.



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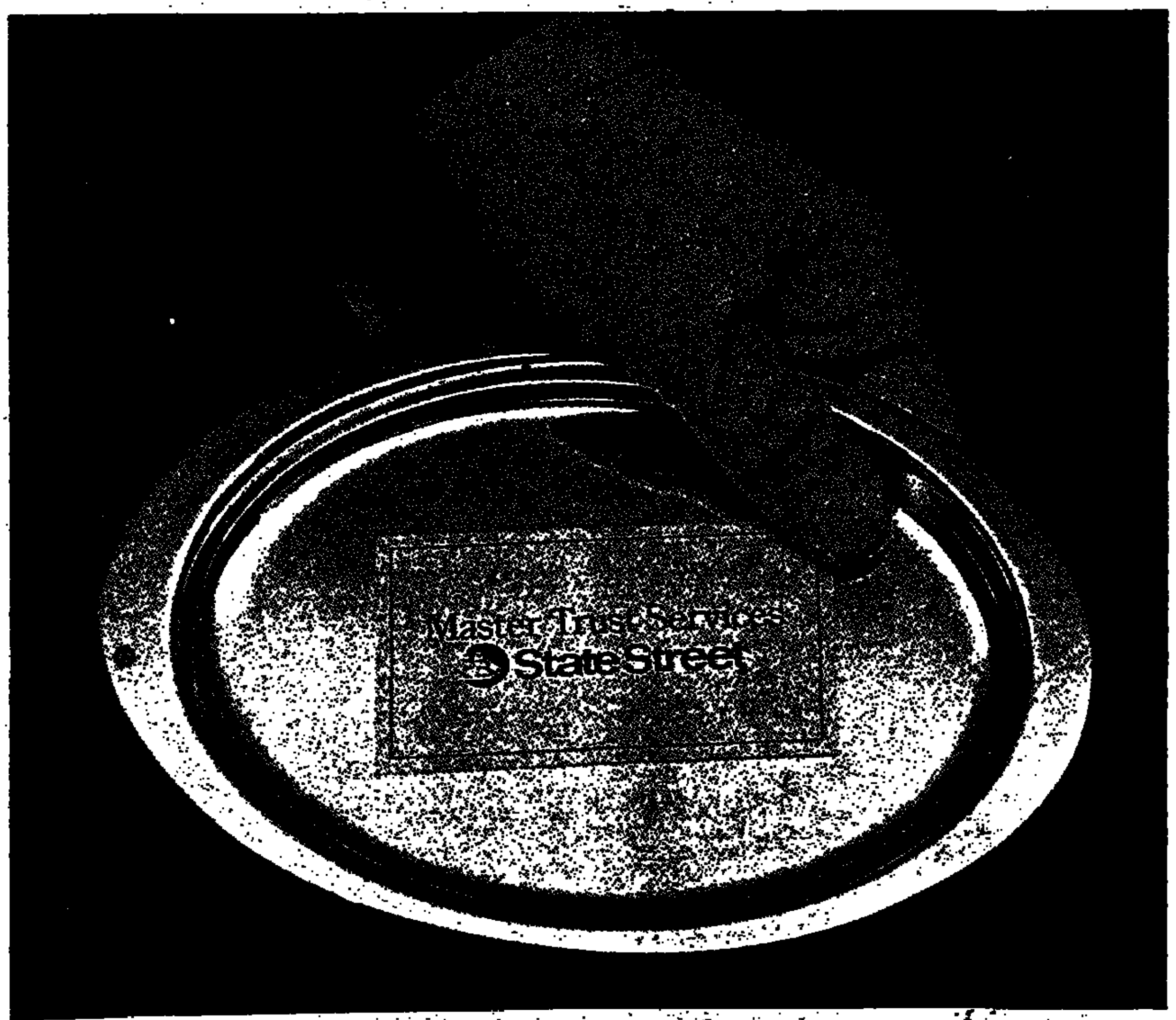

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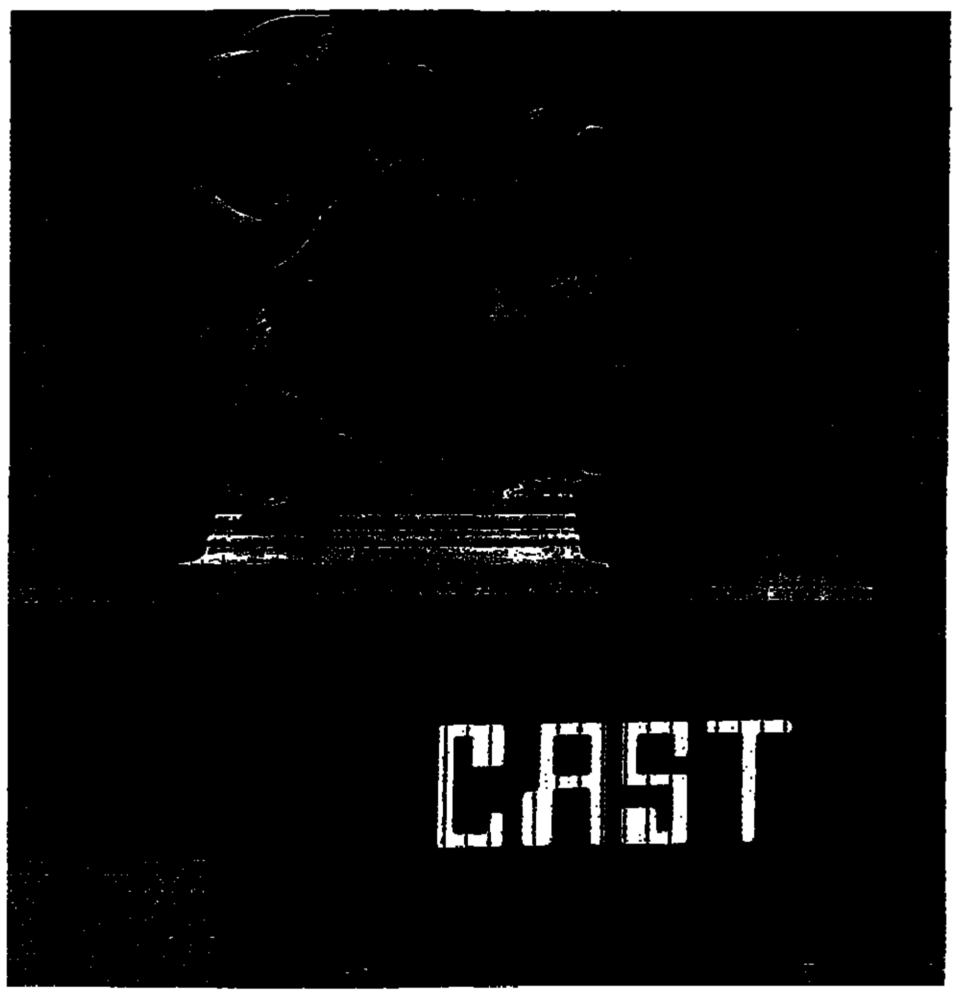

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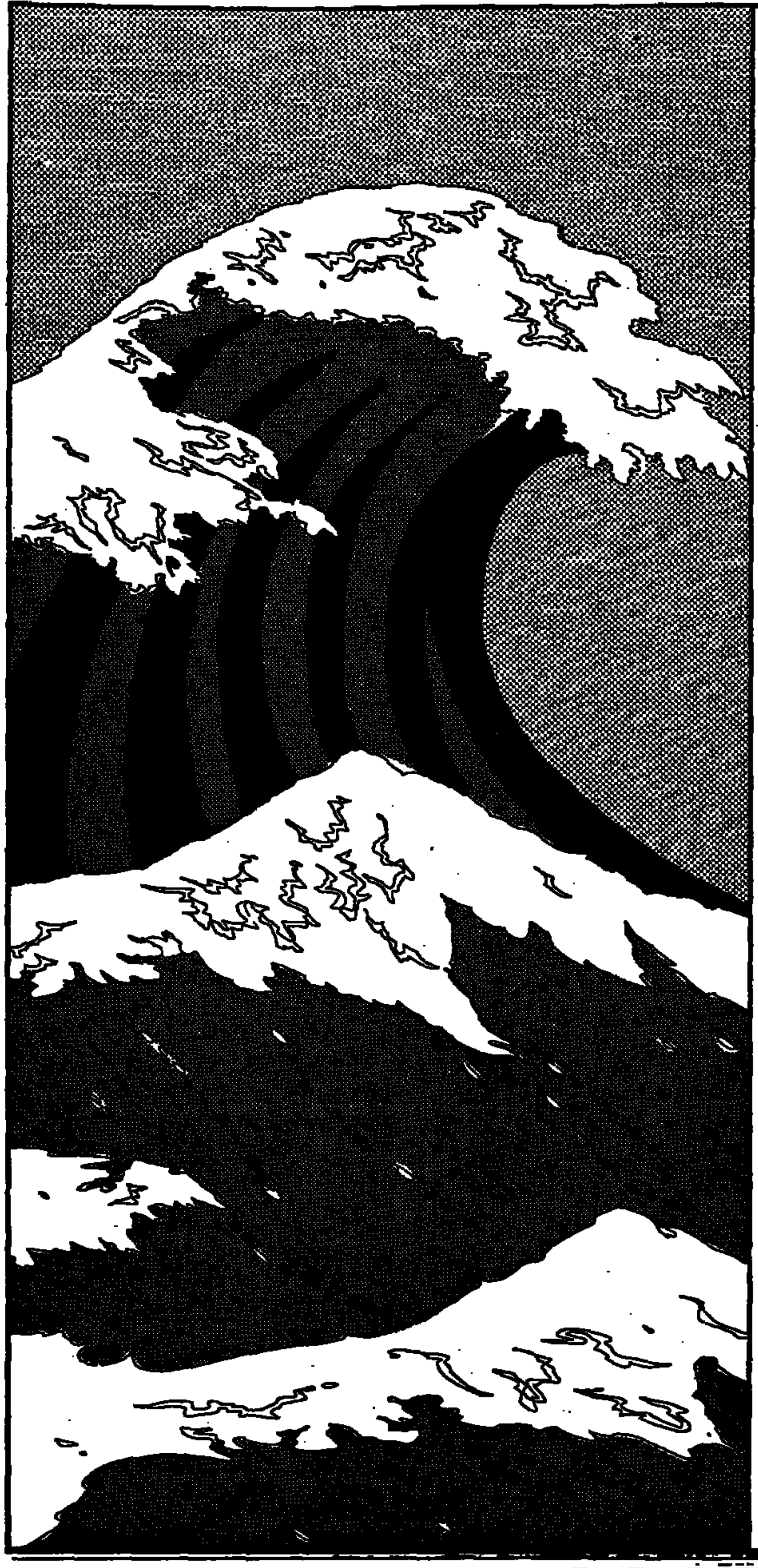

After the Big Bang – the Tidal Wave

Now that the worst of the Big Bang is over, all serious pensions specialists should be looking out for the tidal wave of new legislation, tax regulations, loopholes and new products on offer.

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CONTRACTS

Industrial building orders for Tarmac

Projects worth more than £14m have been awarded to TARMAC CONSTRUCTION.

Three of the largest are for factory buildings at Trowbridge, Wiltshire, for Nestles (£4m); warehouse extensions at Nuneaton, Warwickshire, for Foster Brothers (£2m); and a two-storey catering complex at Pease Pottage, West Sussex, for Trusthouse Forte (£1.2m).

In the north-west the company has contracts for extensions to shopping units at Poulton-le-Fylde, Lancashire, for Gladstone Management Services (£525,000), and two contracts from Mersey Regional Health Authority for designing and building ambulance stations at Bootle (£492,000) and Fazakerley (£474,000).

Two projects have been awarded to Tarmac Construction Refurb. They are for refurbishing a hangar for Birmingham International Airport (£495,000), and alterations and extensions to the Kings Head public house, Wellesbourne, Warwickshire, for Bass Mitchells and Butlers (£415,000).

A number of contracts have also been awarded to the company's contract housing division, which specialises in building, repairing and modernising public sector housing.

They include work on homes at Sheffield (£1.8m), Walsall(£1.4m), Bedford (£1.1m) and Leeds (£593,000).

More work at Stansted

ALFRED McALPINE has won ten contracts worth a total of more than £16m.

Alfred McAlpine Construction has been awarded a £5.4mcontract by Stansted Airport, Essex. The contract, which has started includes excavation work, building reinforced concrete retaining walls, and a cut and cover tunnel. The project will last 14 months.

The company has won a contract for Regency Place Partnership valued at £4m to build 41 luxury flats and associated facilities at Regents Park Road, London,N3. The 16 month contract will also involve associated external works.

Winchester City Council has awarded Alfred McAlpine a contract worth £2.4m, to rebuild a leisure centre which was badly damaged in a fire in the heart of the city in Hampshire.

The re-built centre will feature a new flume - or tubular waterslide. The exposed tubular steelwork for the flume is featured both internally and externally with extensive use of glazed wall cladding. The contract also includes a new bar and open terraced cafeteria.

The pool halls will be completed in spring 1988, with completion following in the summer.

The company has been awarded a £950,000 contract by the Department of Transport for advance works, associated with the M62, in preparation for the east bound climbing lane between junctions 21 and 22 at Milnrow, near Rochdale, Lancashire. This will include construction of five crossovers across the central reserve, seven piled gantry bases in the central reserve and fencing, drainage and lighting works.

The Department of Transport has also awarded the company a contract at Chingford, North-East London, to demolish 13, two-storey terraced houses. Work on the remaining terrace will include treatment of exposed elevations, roof and foundations. The contract is worth over £54,000.

Alfred McAlpine Minerals has been awarded a £1.7m contract by the Department of Transport for resurfacing and repair work on the M56 motorway, near Manchester Airport, between junctions 3 and 6. The company has also been awarded the sub-contract for surfacing works on the A483 Gresford to Pulford by-pass, near Wrexham, which is currently being built by Alfred McAlpine Construction in a £15.7m overall contract.The surfacing work, which is valued at £800,000 is due for completion by the end of 1988.

Norwest Holst has awarded the company the sub-contract for surfacing works on the new Deeside Road Link, near Queensferry, North Wales. The contract is valued at £500,000.

Alfred McAlpine Services & Pipelines has been awarded a contract by Shell U.K., for work at the Stanlow Oil Refinery, Ellesmere Port. The contract, valued at £100,000, involves lifting and providing new supports to 400 metres of crude oil pipeline. The contract will be completed by the end of the month.

The company has won a contract from Merseyside and North Wales Electricity Board, for work across the River Dee at Handbridge, Chester.The project comprises installation of five 200mm diameter cable ducts. The ducts will be used to carry 33,000-volt cables to reinforce the electricity supply to the new Chester Business Park. The contract isvalued at £26,000.

APPOINTMENTS

Chairman of Metal Closures Group

Mr Peter Smith, chairman of **METAL CLOSURES GROUP**, has resigned due to family commitments. He is succeeded by **Mr R.A. Graves**, a director, who becomes non-executive director. Mr Graves was chairman and chief executive of Brickhouse Dudley, and is a director of Securicor Group, Security Services, and a local director of Barclays Bank. **Mr H. Legg**, who recently retired as a director of the John Lewis Partnership, becomes a non-executive director.

*

Mr John Jarvis, a Ladbroke director and executive chairman of its hotels division, has been appointed chairman and chief executive of **HILTON INTERNATIONAL**, recently acquired by the Ladbroke Group. **Mr Michael Hirst**, a Ladbroke director and managing director of its hotels division, also becomes an executive director of Hilton International. **Mr Helmut Heerman**, president and chief operating officer of Hilton International, will continue in this role.

*

ABBEY LIFE INVESTMENT SERVICES has appointed **Mr Edward Whittingdale** as director for European equities. He joins from The Colonial Mutual Life Assurance Society where he was assistant investment manager.

*

Mr David M. Mowat, chief executive of the Edinburgh Chamber of Commerce, has been elected president of the **BRITISH CHAMBERS OF COMMERCE EXECUTIVES** for 1987/88.

*

BLACKS LEISURE GROUP has appointed **Mr Bernard Garbacz** as chairman and chief executive. **Sir Rhodes Boyson** becomes a non-executive director. **Mr Alan Thornton** and **Mr Stephen Morris** have been appointed joint managing directors. **Mr Neil Howard** and **Mr Simon Bentley** join the board. **Mr Richard Wilkinson** has been appointed finance director. He was managing director of Sears Financial Services.

*

Mr Lewis Clifton, a third generation islander, is the new **FALKLAND ISLANDS GOVERNMENT** representative in London. He has succeeded **Mr Alastair Cameron**.

*

Mr Robin Cathcart has been appointed managing director of **TRANSPORTATION PLANNING ASSOCIATES**, a High-Point Rendel company. He succeeds **Mr Terence Mulrey** who, following his promotion to the board of Rendels, will remain deputy chairman of TPA.

*

JOHN BROWN AUTOMATION, Coventry, has appointed **Mr Clive Nicholson** as finance director. He was financial controller.

*

Following the purchase of the **CLYDESDALE BANK** last Friday (October 30) by National Australia Bank, the Australian bank's managing director **Mr Nobby Clark** has been appointed a director of Clydesdale. **Mr Barry Hefren**, chief general manager corporate and international banking, also joins Clydesdale's board, with **Mr William H. Hodgson**, deputy managing director, as his alternate director. **Sir Eric Yarrow**, Clydesdale Bank's chairman, has joined the board of National Australia Bank.

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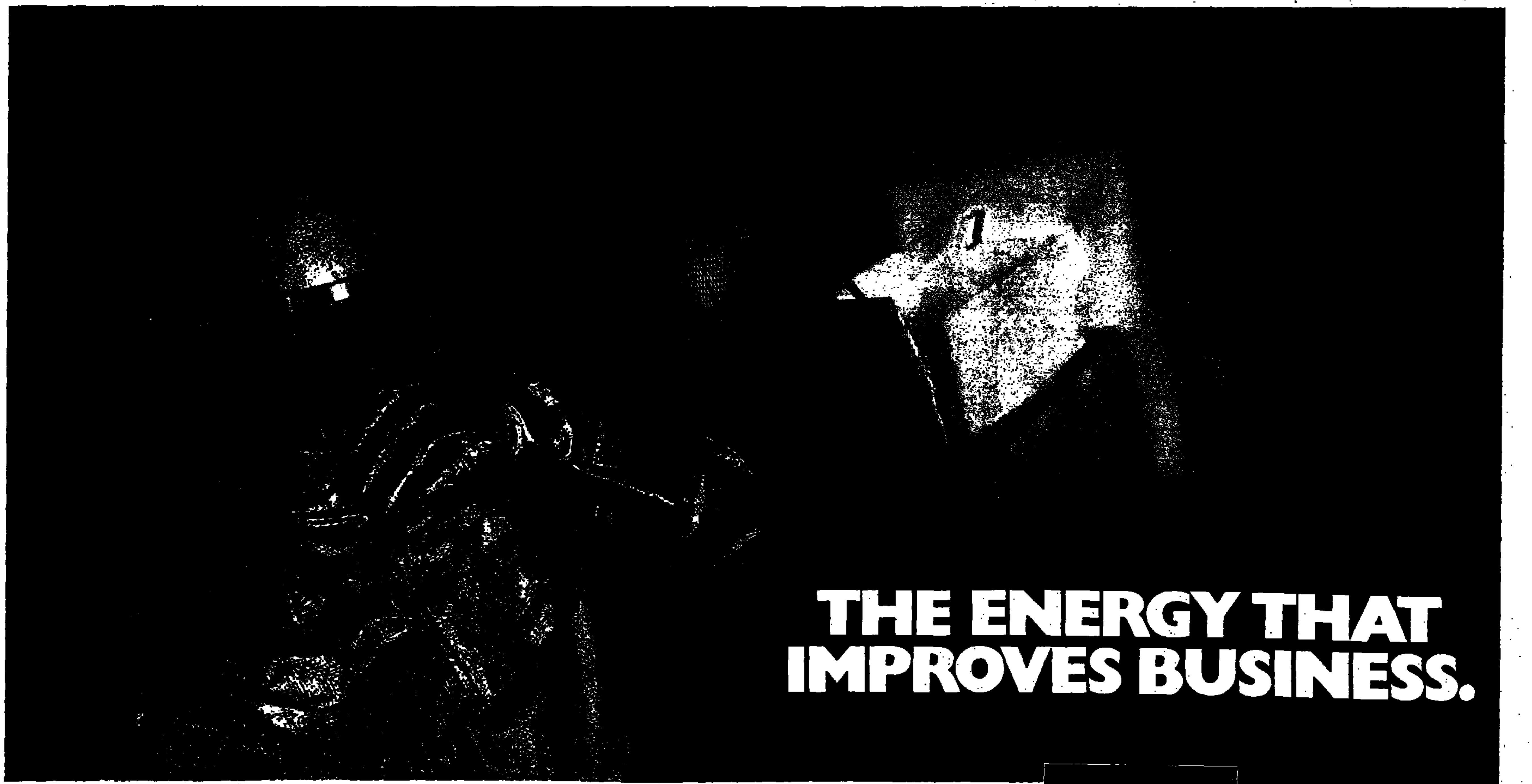
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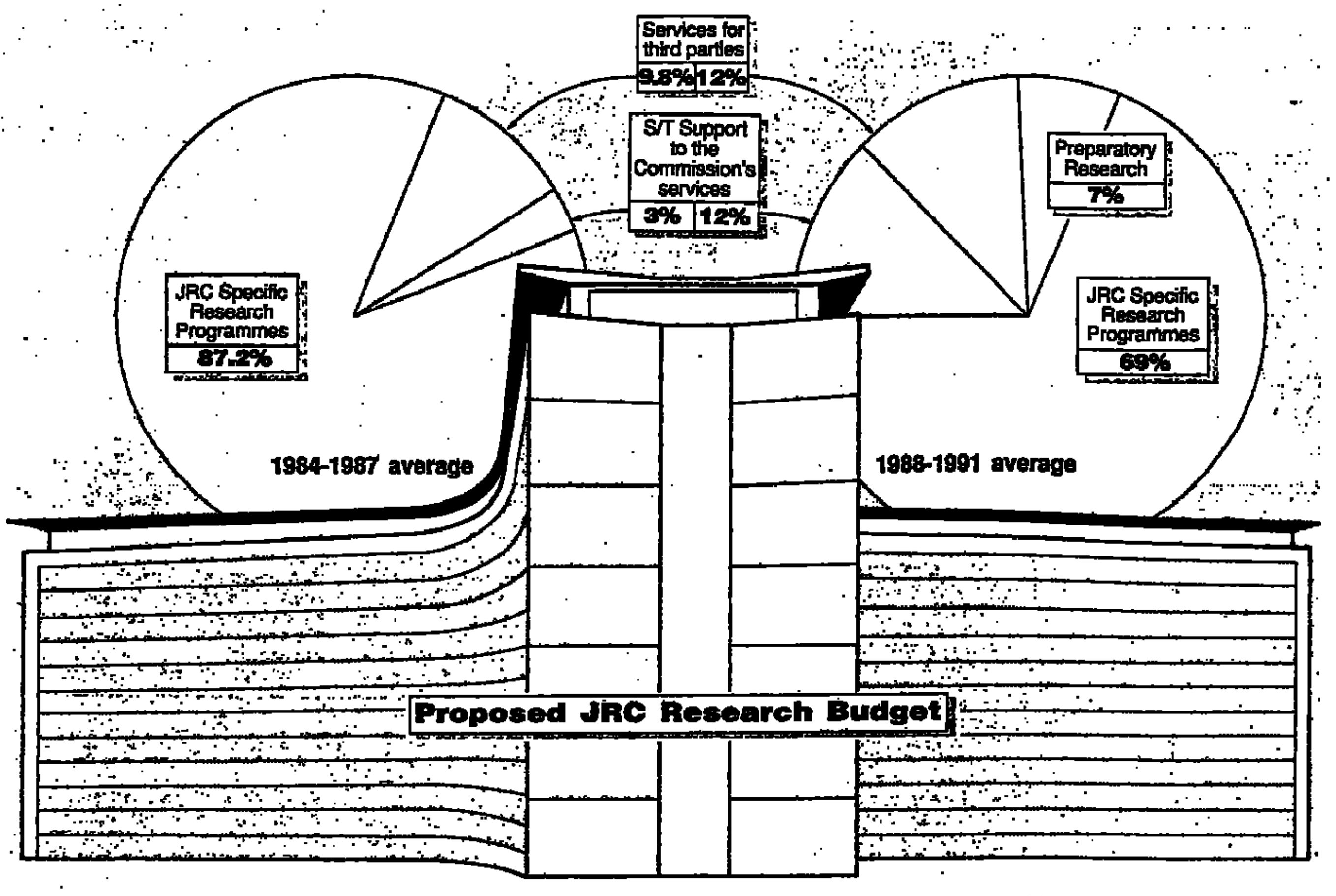

Rude awakening for the dream factories

William Dawkins reports on the EC's battle to keep its Joint Research Centres afloat

THEY WERE the flagships of the EC's research effort in the heady days of the early 1960s - and now the European Commission is desperately trying to keep them afloat.

The four Community-funded science laboratories at Ispra in northern Italy, Karlsruhe in West Germany, Petten in the Netherlands, and Geel in Belgium, were to lead Europe into the nuclear age in a blaze of glory. Yet the dream never came true.

Ispra, by far the largest and most highly criticised of the so-called Joint Research Centres (JRCs), now stands discredited - by the Commission's own admission - as a directionless and unhappy establishment, out of touch with commercial reality and poor value for its Ecu150m annual budget. Its reputation provided much of the fuel for the Commission's critics in the long battle for agreement on its entire Ecu5.2bn research budget - of which the JRC is due to take roughly 10 per cent - for the next four years. In the process, the Commission was forced to cut its original overall research funding plans by almost half.

Now the Brussels authorities are planning what will be the biggest shake-up in the centre's history, in the shape of a four-year plan to be put to Research Ministers at the end of this month. The JRC's survival could be at stake.

"There is still a certain tendency to assume that just because the JRC is there, it will continue. That is not necessarily so," says one of the centre's chief critics.

Jacques Delors, the Commission President, feels he should be seen to be taking a critical look at a weak area in research spending at a time when the entire EC budget is going through one of its perennial crises. The Commission's reform document is also seen as an attempt to take the initiative against the JRCs' harsher critics, such as West Germany, France and Britain, and to head off UK suggestions that the EC should wash its hands of the problem and privatise the JRC.

Brussels suggests that the centres should reduce their near total dependence on the EC research budget to around 60 per cent by 1990, falling below 50 per cent in 10 years' time. The balance should come from contracts from the Commission, government laboratories and private companies.

The Commission proposes "a sweeping reform of the JRC's objectives, its mode of operation and its method of management."

Ispra in particular needs "a clean break with the practices of the past," says the reform document. In the meantime, Brussels is asking for Ecu690m to keep the JRC's existing activities going from the start of next year until 1991. While the budget for the EC's overall research framework programme has been agreed, the JRC's share within it has still to be decided by a qualified majority vote of member states.

National officials from the 12 member states are to visit northern Italy this week to discuss the scheme. But the first real test of whether the Brussels authorities' ideas are tough enough to satisfy the sceptics will start on November 30 when Community Research Ministers meet to discuss the JRCs' future.

So what went so badly wrong with the Community's technology showpiece and why? The JRCs are a sad example of how scientific projects can all too easily be upset by political interference. They have suffered from a deadening mixture of national wrangling over the scientific content of their research work, indecision, and a suffocating hydra-headed management committee structure.

Ispra was established under the 1957 Euratom Treaty, the main aim of which was to support and co-ordinate member states' nuclear energy programmes. Like many large nuclear establishments round the world, such as Harwell in the UK or Livermore in California, the JRC has had to face up to the need to adjust to a declining requirement for basic nuclear research.

It did accordingly widen its work over the years to include areas like anti-pollution research, alternative energy and materials testing, not to mention a rag-bag of more esoteric projects such as satellite monitoring of "the upwelling sea currents of the coast of north west Africa" or "wine monitoring" for the Commission's agriculture directorate.

Even so, the JRC has failed to make much contribution to areas of real importance, according to a panel of industrialists pulled in by the Commission to make an independent assessment. Their ideas form the basis of the reforms now on the table.

Among the JRC's top achievements are being the first to spot the radioactive cloud moving across Europe from the Chernobyl disaster, the creation of a data bank of environmentally dangerous chemicals and the use of satellites to predict floods - useful stuff but nothing of top international significance. Moreover, the JRCs' standards are "inadequate by industrial standards," maintains the panel.

The Commission's starting point is to scrap the present cumbersome Scientific Council that oversees the JRCs and split the four centres into nine autonomous and specialised institutes, giving the scientists on the ground maximum decision making power. The units will cover nuclear measurements, nuclear fuels, reactor safety, advanced materials, environmental protection, satellite sensing techniques, systems engineering, information technology and "prospective studies" into new research possibilities. Most of this is just giving the JRC's existing activities a more organised shape, though the suggestion for speculative work is new.

What will be very different, however, is the JRC's function. It will continue to carry out EC inspired and funded research programmes, an activity which accounts for nearly 90 per cent of present activities. But the centre's new emphasis on more technical work for other Commission departments and contract research for third parties will be a departure into a more commercial world where the establishments will be dealing with customers rather than faceless institutions.

The target is to scale down programme activities to around half of the total within 10 years, with contract research to account for between 35 per cent and 50 per cent and exploratory research to absorb up to 15 per cent. The general theme, explains the document, is "to allow far more contact between the JRC and the outside world."

An important part of that will be injecting new blood into a staff whose average age is 50 and some of whom earn more than twice as much as their counterparts in nationally funded laboratories. According to the industrialists' panel: "Standards are lower than desirable partly because of the continuing debate over the future of the JRC, which discourages good people, and in a larger measure because tenure of employment in the JRC is in many cases 'guaranteed' for life, the salaries are very high and pressures to...produce results do not include the ultimate sanction of job loss."

The Commission wants to keep the present overall staff size of 2,260. But it suggests early retirement for those "whose qualifications do not match the new scientific objectives," shorter contracts for the rest, retraining, and a new system of three-year temporary secondments of top scientists from the private sector.

Whether all this will be enough to satisfy the JRC's critics is uncertain. The signs are that the idea of tying the JRC to getting a predetermined share of its income from outside sources will get wide support, but that some member states will want more detail on who the customers will be and the JRC's real chances of being industrially competitive. Another possible bone of contention is whether the JRC's scientific objectives are appropriate. Some observers fear they could duplicate other EC-funded research activities, such as information techology, which is already covered by the separate Esprit programme for collaborative research between member states.

Perhaps the biggest uncertainty of all is whether the JRC itself is flexible enough to cope with the proposed changes. "If the answer is no," says the industrialists' panel, "then we recommend that the JRC should be reduced by no new hiring and by early retirement until closure takes place."

Their guess is that the answer is only "partly positive," but that the JRC is worth reforming. Nobody seriously thinks that the centres will be axed, but there is certainly some tough talking ahead about the terms of their survival.

WORTH WATCHING

Edited by Geoffrey Charlish

AT&T data takes quick bus route

AT&T BELL Laboratories in the US has developed an optical fibre network for both metropolitan and suburban areas which, it is claimed, meets major requirements for tomorrow's inter-office transmission of information.

Known as Metrobus, the system is able to deal with both synchronous and asynchronous traffic, taking in and adjusting a wide variety of data transmission rates to the speed of optical network.

At each point on the network, traffic is added and dropped, lower-speed signals being combined with faster ones to give efficient use of the optical fibre's capacity of 878m bits per second (the equivalent of 13,000 voice channels).

The laboratories claim that because Metrobus accepts a wide range of existing transmission rates, has high call carrying capacity and allows easy adding, dropping and re-arranging of traffic at each exchange point on the network, the cost per transmitted bit is lower than today's conventional cable and non-synchronous optical systems.

Bloodless coup in the dental surgery

OPEN WIDE, this won't hurt a bit.

Satelec of France has developed a dental surgery laser which, no bigger than a conductor's baton, can heal decaying tooth tissue immediately and help to trigger the development of dentine (the substance of which teeth are mainly composed).

Called Lasersat, this "magic wand" can also be used for sterile and bloodless surface surgery. But where it scores over similar devices already in use is in its size and weight.

Conventional carbon dioxide lasers weigh around 100kgs while the entire Lasersat unit totals less than 9kgs and the handset itself weighs only 500grams. The main unit, which is the size of a large book, runs off mains electricity and has a gas supply which, the company says, should last about three years and can be easily replenished.

The unit generates energy at radio wavelengths, and this is piped along a waveguide to the carbon dioxide laser in the handset, which is 30cm long and 2.54cm in diameter.

Thus the Lasersat does away with the need for equipment such as the directional mirrors which are needed when, as in conventional devices, the laser beam is generated in the main unit and pumped to a handset.

Low-cost line to factory automation

IN THE UK, 600 Fanuc Robotics of Colchester is offering a £40,000, eight metre long factory automation system which can carry out a variety of unmanned welding operations.

The system, developed in conjunction with Westwood Automation of Plympton, Devon, can handle jobs on a flexible basis. Coded pallets carrying the workpieces are read by the robot, which then carries out the appropriate welding tasks according to the programmed instructions in its memory.

A two-tiered conveyor system has a lift at one end and a dropping table at the other so that pallets move in one direction along the top conveyor and in the opposite direction along the bottom. When a pallet rises and is presented at the robot workstation, pins rise up to locate it accurately so that the Arc-Mate robot can start work.

Simplicity and reliability are the keynotes of the system. Several hours of random, mixed batch work can be loaded at a time and the robot left to get on with it "in complete confidence."

Both waiting time and work in progress can be eliminated. With a system at this price, the company hopes to bring the benefits of automation to a much wider spectrum of industry.

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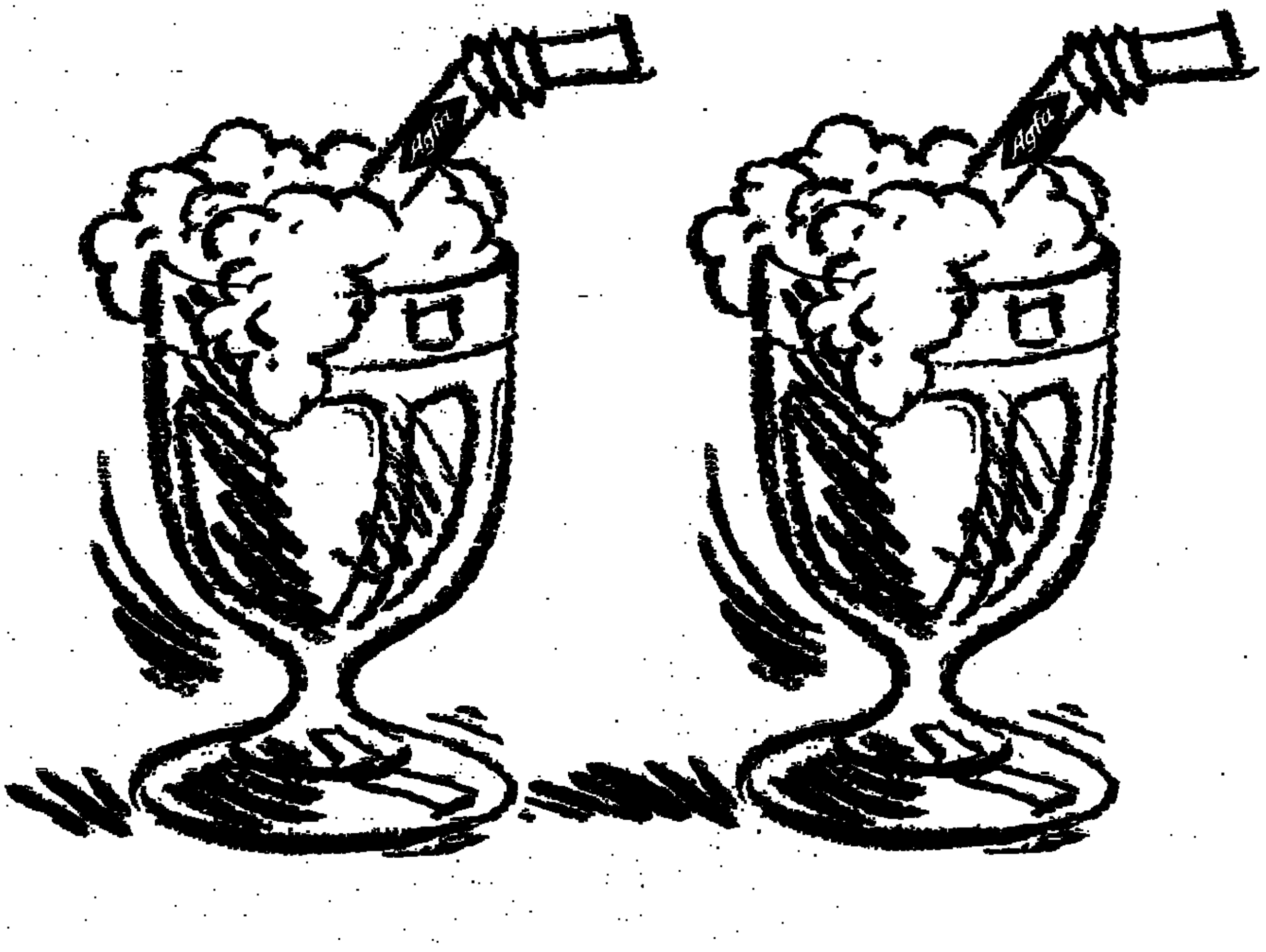

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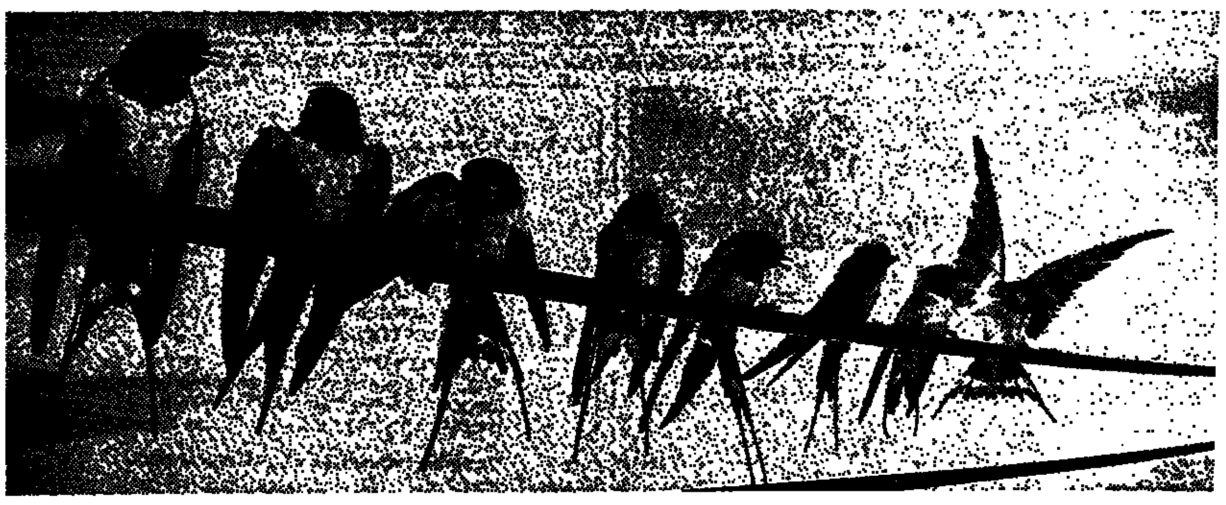

Why are high tech companies flocking to Livingston?

When high-tech companies like Burr-Brown, Unisys, NEC, Johnson & Johnson, Ferranti and Apollo Computer migrated to Livingston in Scotland they had powerful reasons for doing so.

Not least of which was the power supply itself.

Manufacturers involved in electronics and other high-tech industries can rely on an almost unlimited stable power supply–something that's not always the case in the rest of Europe.

Companies based in Livingston can also rely on a highly skilled local workforce that's available at extremely competitive rates.

They can move straight into a purpose-built high-technology park called Kirkton Campus, alongside some of the most prestigious names operating in the advanced electronics field today.

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MANAGEMENT: Small Business

Attitudes to investment

Why 'venture' is not so capital

Charles Batchelor on a growing aversion to risk funding

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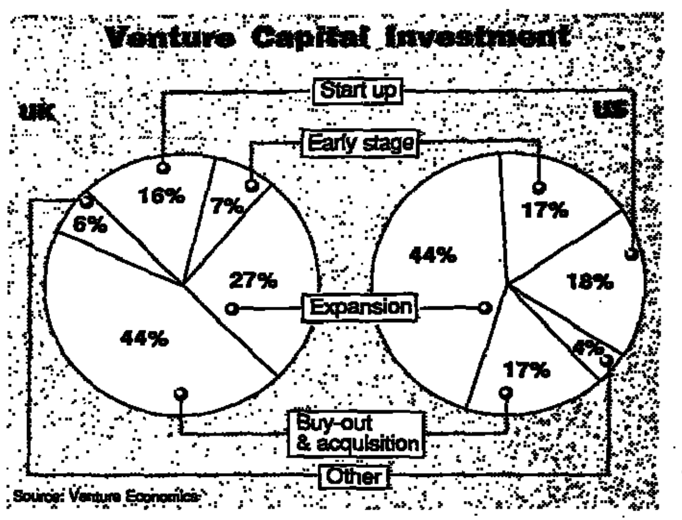

Source: Venture Economics

VENTURE CAPITAL has always been the Rolls-Royce end of the small business sector in the UK. From their smart offices in the City or the West End the venture capitalists set out to cultivate the brightest and the best of the small firms.

Having started as a handful of venture capital funds in the mid-1970s, the industry has taken off in spectacular fashion during the 1980s and currently numbers nearly 130 venture teams. The increasing popularity of the sector can be gauged from the fact that venture capitalists raised £622m from institutions and private investors in the first nine months of 1987 - more than the combined total for the whole of 1985 and 1986.

Yet with success has come a growing sense - both inside and outside the industry - that large amounts of venture capital funds are not going where they are most needed: to provide equity backing for the young, innovative companies which will be needed to create wealth and jobs in the 1990s.

The full impact of last month's stock market crash has yet to be assessed but until markets dived venture capitalists were putting increasing amounts of money into relatively safe management buy-outs. This left less and less available to finance companies involved in new technologies or new processes in their early stages of development.

The completion, in early October, of the £715m buy-out of the MFI furniture group from Asda, the food retailer, set a record. Overall, British venture capital funds put 44 per cent of their money into buy-outs last year while just 23 per cent went into start-ups and early stage investments.

True, the earlier stage financing was the single most important category in terms of the numbers of deals done but it accounted for just 32 per cent of the number of deals last year, down from 42 per cent in 1983, according to UK Venture Capital Journal figures.

In Europe as a whole venture capital companies invested a similar proportion of their funds - just under a quarter - in buy-outs and in early stage financing last year. But the past two years have shown a shift to buy-out financing, according to figures released last week by the European Venture Capital Association. If the British and US venture teams can overcome the resistance of Continental managers to the buy-out idea this type of deal can be expected to increase.

"I have no defence against the people who say that venture capitalists have increasingly been providing later stage capital," concedes Tony Lorenz, managing director of ECI Ventures.

"Venture capital is hardly venturesome in many cases," complains Anthony Costley-White, co-founder of Oxford Seedcorn Capital, a small fund which backs very early stage projects. "Two-thirds of the funds behave more like banks. People are finding it just as difficult as ever to raise real risk capital."

Why is venture capital apparently failing to live up to its name? The answer lies partly in the experiences of the early pioneers, who introduced the technique to Britain from the US, where it was already well established.

The early funds, run mainly by the banks and the established City institutions, rapidly built up ambitious portfolios of young, high-risk companies, many of which promptly rewarded them by going bust. Memories of one of the early Electra Investment Trust funds, which reaped a substantial harvest of "lemons", still sends shivers down the spines of managers in the industry.

"A number of the companies formed in the early 1980s were fairly visibly unsuccessful," recalls Lucius Cary, editor of The Venture Capital Report. "Investors became nervous and the knock-on effect was that the industry became more risk averse."

Venture capitalists could afford to ignore the riskier deals because the popularity of the buy-out presented them with an almost guaranteed high level of return on far safer investments.

By their very nature, companies suitable for a management buy-out are well established, have a tried and tested management team and are in mature industries producing solid profits and cash flow to pay off the debt. The time between buy-out and stock market flotation has been shortening so investors know they will get a rapid payback. Start-up companies, by contrast, may be five or seven years from lift-off - if they ever get that far. "We didn't have time to educate our backers that venture capital was a long-term investment before the stock market went wild and they were getting quick returns," says Lorenz.

Finally, the early venture capitalists, with very limited funds to invest, were prepared to devote the time and effort to researching a small company and helping it through its early difficult years. As the size of the funds has grown it has ceased to be economic for the typical small buy-out team to devote much energy to an investment of £50,000 or £100,000. They have moved upscale and most will not consider an investment of less than £250,000 or even £500,000.

Opinion differs in the industry as to whether the present move to buy-outs is permanent or a short-term trend. Bryan Wood, co-founder of Alta Berkeley Associates, a fund with a large number of high-tech investments, believes the industry - in Britain as in the US - moves in cycles.

"There will be a time when buy-outs won't be so attractive," he forecasts. "People will get back to more early-stage investments - though they will be more selective." Others, however, feel that there are fundamental differences between venture capital on the two sides of the Atlantic.

"It is difficult in the UK to build a big high-tech business because of the smallness of the market," notes Sue Lloyd, managing director of Venture Economics, a specialist consultancy. "What British venture capitalists are looking for is a high-growth, high-margin business and that is just as likely to be in fast food."

"If an idea clicks in the US you will have a $50m company," says Mark Scibor-Rylski of the Charterhouse Japhet Venture Fund. "One of those would allow you to let the rest die and still get a good return on your portfolio."

Although the US venture capital industry is generally regarded as more willing to take risk there has been a swing away from high-tech investments there too.

"There are the same broad trends in the US as in the UK - but not as pronounced," says Ed Miller of Concord Partners, a New York venture capital fund. "Five years ago you were not considered a true venture capitalist unless you put 70 per cent of your money into high-tech deals. Now everyone talks about backing specialty retailing."

But does it matter that venture capitalists on both sides of the Atlantic appear to be shunning risk? Wood claims that the worthwhile companies are still being backed though the entrepreneur may not be getting quite the deal he wanted.

This argument is difficult to refute because the deals which do not get done do not show up in the statistics. Costley-White feels it does matter because there is no-one else to fill the gap. "There are good projects which fall by the wayside," notes Cary.

Certainly concern at this development has prompted a number of British venture managers to look for a way to boost the flow of funds to the younger, more innovative companies.

ECI Ventures makes what it calls "cornerstone" investments in other specialist or regional funds to spread the risk. It has stakes in Prelude Technology Investments, a Cambridge-based fund specialising in early high-tech ventures; in Avon Enterprise Fund in Bristol; and in Darnaway Venture Capital, based in Edinburgh.

Scibor-Rylksi at Charterhouse Japhet believes risks can be reduced by a more active cultivation of the companies already in the venture manager's portfolio. Such companies could be encouraged to use their knowledge of their industries to make start-up investments or form links with other small companies.

In addition, he says, venture companies should be more willing to compare their portfolios and put together companies which might have a shaky future on their own, but together make a viable operation.

Despite the need for efforts like this to improve the flow of funds to innovative young firms the picture is not completely bleak.

A small number of the larger UK funds - between 10 and 20, according to most estimates - have maintained their commitment to financing the riskier ventures. They have managed to convince their backers - the institutions - that this approach works and have been successful in raising additional funds this year.

But they are very aware that sentiment accounts for nothing in the venture capital business. The industry is judged on the high returns it promises to match the high level of risk. "People don't have to do start-ups," notes Alta Berkeley's Bryan Wood. "What they are obliged to do is make money."

Survey discovers a fund of 'hidden' ventures in Europe

BY CHARLES BATCHELOR

CORPORATE venturing, whereby large corporations provide financial backing for small innovative companies, may be more widespread than was previously thought. Well-established in the US, it appeared to have found less favour in Europe and elsewhere.

But a recent world-wide survey* by The Conference Board, an independent US-based research organisation, revealed that 98 (64 per cent) of the 154 international companies polled had carried out some form of corporate venturing.

Of the 98, more than half said they were satisfied with the results to date; a further quarter said it was too early to measure the results while the remaining quarter expressed varying degrees of dissatisfaction.

The most common objective in establishing a venturing link was an attractive return on investment. Others were to open a window on new technology; to achieve growth and diversification; and to enhance the entrepreneurial spirit in the large company sponsor.

Twenty five of the companies reported problems in connection with their venture programmes. Some ran into management difficulties when their partner changed its objectives or failed to stick to an agreement. Others had problems achieving a balance between exercising control over the venture without stifling its autonomy.

Several sponsers reported operational difficulties in getting all parties - subsidiaries, entrepreneurs and managers - to work together, while two voiced concerns about possible conflicts of interest when a company had provided both debt and equity finance to a venture organisation which had got into trouble.

Sponsors should remain aware of the risks associated with corporate venturing, the board warns, citing an earlier (1982) study which showed that 60 per cent of all ventures had failed and of the 40 per cent which remained viable only a quarter had done "very well."

Corporate Venturing, The Conference Board, Ave Louise 207, Box 5, B-1050 Brussels, Belgium.

Avoiding insolvency

JUST ONE creditor doggedly pursuing a debt of £750 could threaten your entire business, according to a guide on How to avoid Insolvency*, published this week by the National Federation of Self-Employed and Small Businesses.

Unless you respond quickly to any creditor's demand for payment, or counterclaim that the debt is not outstanding, then the first stage of bankruptcy or the liquidation of your company may be commenced, the 12-page study warns.

Produced as a guide to the implications of the Insolvency Act 1986 for the federation's 50,000 members it takes the small businessman through the stages which can lead to financial disaster.

If legal action is started against a company, the owner may suddenly find he is no longer able to juggle his financial resources since all his creditors will want their money immediately. The assets of the company will have to be valued, probably at much less than their true worth, the guide warns.

It lists the early warning signs which the small business must watch for. These begin with the unexpected development, such as a dip in sales or a burglary, which upsets a company's cash flow plans.

If a creditor suddenly tires of chasing you by letter or by phone he may issue a legal warning - which should not be ignored. Delegating payments, because you are ill or on holiday, leaves you vulnerable since ignorance or failure to respond to a court summons or a writ will not save you from the first stage of insolvency, it cautions.

Finally, legal warnings should never be ignored. Advice should either be sought from your solicitor or you should respond by phone, a visit or a letter.

The key to avoiding all these problems is to have up-to-date management information on the state of your business at all times, the guide notes.

**Available from the federation, 140 Lower Marsh Street, Westminster Bridge, London SE1 7AE. Tel 01 928 9272. £2.*

Marketing workshops

HELP FOR SMALL firms to tackle their marketing problems has been the focus of increased attention in the UK lately. Following the introduction earlier this year of the Support for Marketing scheme, under which firms can call on subsidised management consultancy advice, a programme of two-hour workshops entitled Marketing your Business has now been launched.

The programme, which has the backing of Lloyds Bank, the Institute of Marketing and the Department of Employment, will be held around Britain over the next two months. It promises to help small firms develop a "down-to-earth marketing programme."

Specific subjects to be covered are: finding out about the market place; gaining an advantage on the competition; and how to overcome fears about selling.

According to Tony McBurnie, director general of the Institute of Marketing, speaking at the programme's launch last week, two-thirds of British firms admit they are not good at marketing; that they do not use market research and that their managing director has no real marketing or sales experience. Yet marketing is the skill which is required if industry is to capitalise on improvements in productivity made in recent years, he added.

Businessmen attending the Marketing Your Business seminars will receive a video, a marketing plan checklist and a reference book on the subject. Cost of the workshops, which start at 6.30pm, is £25 plus VAT. Each session is limited to 50 places.

Small business interest in the subject was evident from the strength of demand for the earlier Support for Marketing scheme. The government originally committed £2.5m to this scheme but later raised it to £6.25m. A total of 1,400 businesses are expected to receive management consultancy advice under this programme this year.

For details about the Marketing Your Business seminars contact IM Marketing Training, Moor Hall, Cookham, Maidenhead, Berks SL6 9HQ. Tel: 06285 24922 ext 2228.

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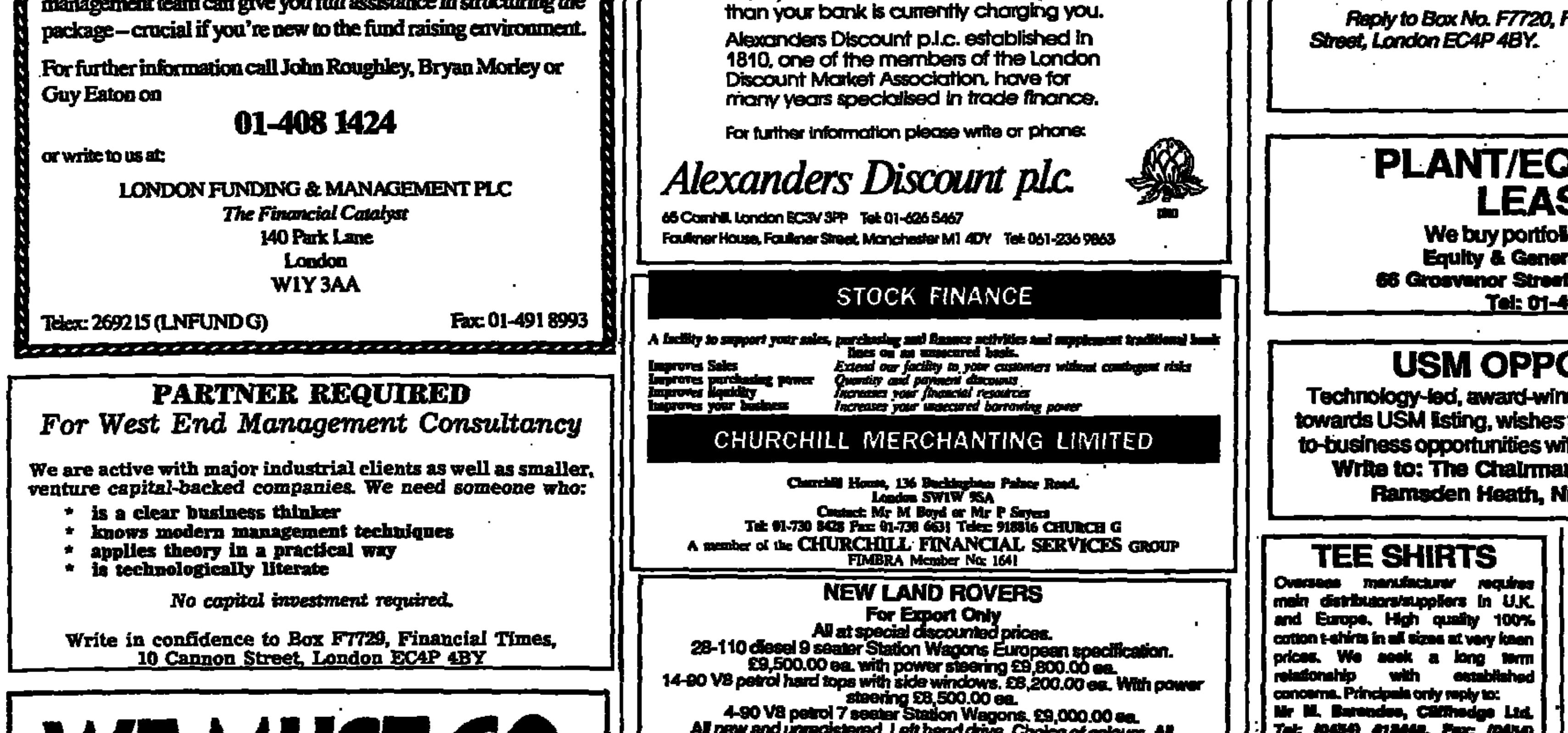

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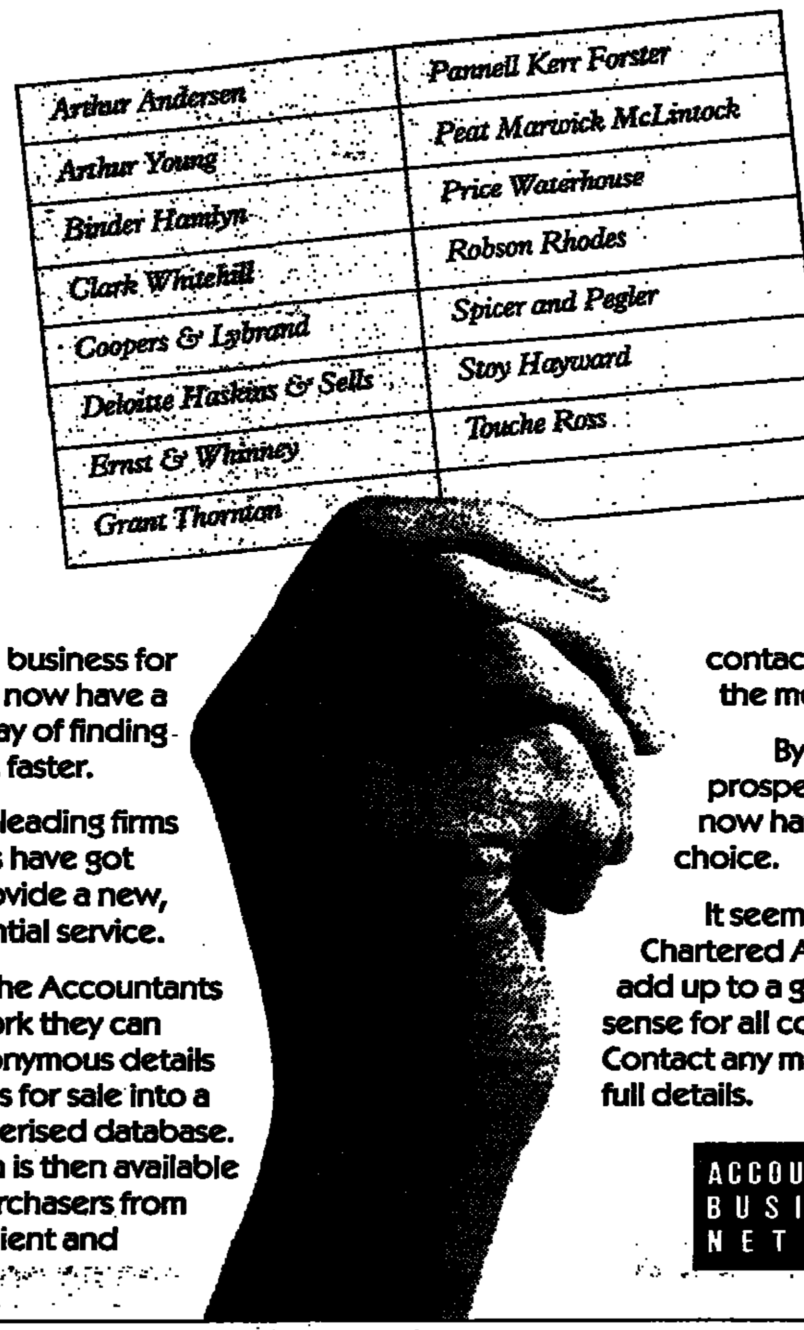

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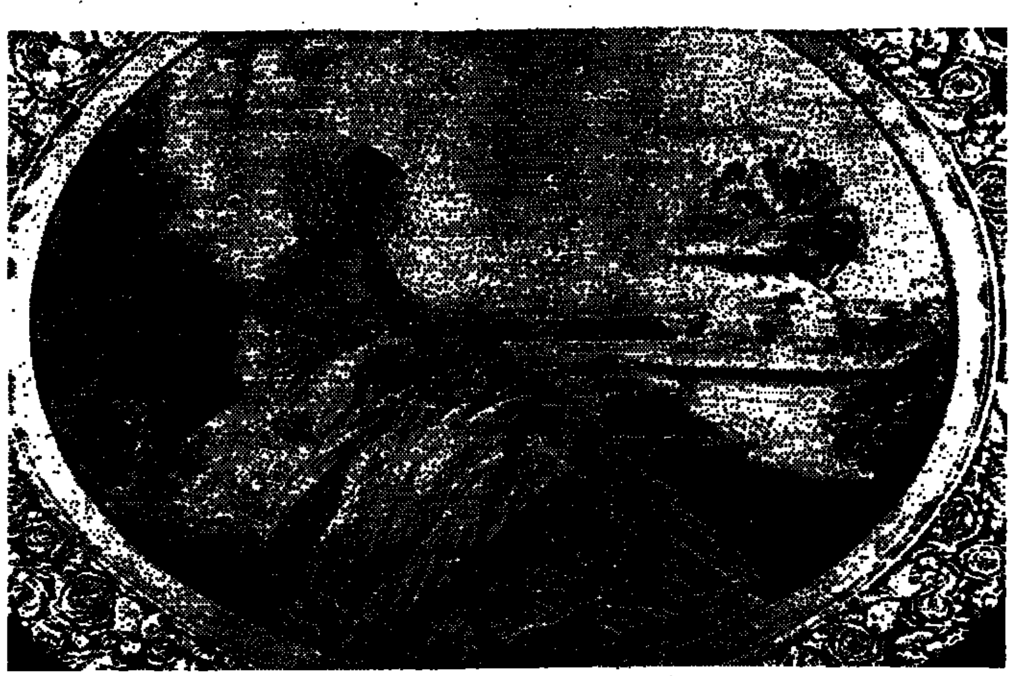
National Portrait Gallery/David Piper

Glamorous images of feminine elegance



"Queen Victoria and Prince Arthur," 1850, by Winterhalter

The name of Franz Xavier Winterhalter tends to evaporate from more general, even from specialist, histories of art. This is a shame, for although he does not, artistically, emerge as a pioneer in the copious art revolutions of the nineteenth century, the eclectic skill with which he concocted the recipes for his subjects produced glamorous images of an ideal feminine elegance that *modern* man - and, I trust, modern woman - might well dream as ideal, even if impossible. Even if, ideologically, undesirable. Even if, in the exhibition, a man was complaining of a lack of pictures "of normal people - only posh show-offs", I heard there too positive murmurations of pleasure.

Winterhalter, born in fairly modest circumstances in south Germany in 1805, had painted by the time he died in 1873 perhaps more emperors, kings, queens, princes, princesses, arch dukes and so forth than any artist ever. Yet apparently the only one-man show of his work in Britain was that at Knoedlers in 1936. The major winter exhibition at the National Portrait Gallery, *Winterhalter and the Courts of Europe, 1830-1870*" offers at last a truly representative showing (until 10 January; £2). It is to be re-staged in Paris at the Petit Palais (February-May); it was in Paris that the artist for long probably felt most at home, and in the climate of the Empress Eugenie's court produced his most successful work. His portraits of her suggest that he may have found her his most sympathetic subject.

His critical reception in his lifetime tended to be dismissive or nil, though his cosmopolitan clients loved it. Both in France and in England (especially the latter), his foreignness stung native jealousies. A rival painter once called Sir Thomas Lawrence a "mere man-milliner painter, a meteor of fashion," and comparable accusations were levelled at Winterhalter, but he could, contrary-wise, equally be found guilty of producing "sensual and fleshy visions... coarseness in the details - such an odour, we may say, of paint, and such a want of taste as make us frankly rejoice that it is not from the hand of an Englishman."

That remark was occasioned by his group of Albert, Victoria and the royal children - perhaps his major contribution to the image of the marriage of Victorian regality and domesticity (but rather sadly, apparently not available for this exhibition, which is overall admirably selected to represent the full range and quality of his work).

At heart, he seems to have remained happy within the social appointment. He never presumed on his contacts or his abilities, and was uninterested in social climbing; he had a solid self-esteem, immune to the extravagances of more spectacular artists in the tradition of romantic geniuses. He was devotedly industrious, and became discretely rich. Delacroix thought he was a bit of a bore. He lacks appeal for the biographer. A spiritual sponsor urged him, when he left to start his training in Munich, to avoid the company of inferiors but also not to involve himself in the world by a liaison with a fashionable woman. He remained unmarried, in rectitude, no breath of scandal. He was "correct."

His technique was rooted in a neo-classic belief in clarity of contour, established by David and developed by Ingres, but by Winterhalter applied to subjects generally lacking in heroic idealism. His group "Florinda" is thematically related to major paintings by Titian, beautiful young women disrobing in a glade and discovered by a voyeur, yet of the most genteel propriety - snapped up by Queen Victoria in 1852 and hung in her sitting room. It is impossible to imagine the aged Ingres's extraordinary celebration of the nude, the "Turkish Bath," 1862, still less Manet's very different "Olympe" of the year after, being so chosen. Winterhalter remained aloof from novel artistic movements, whether of the Nazarenes in Germany, the burgeoning Impressionists in France, or the Pre-Raphaelites in England.

His groups, whether genre or portrait, lack inner tension and can seem assemblages (that of Eugenie amongst her ladies is an exception, but is represented in London only by a rather Watteau-ish study). His court portraits of men often stiffly upright, thin as stick insects yet gorgeous in thigh boots, tight white breeches and dark jackets laden with gold braid, are not very compelling.

His forte lay with women of the highest rank and fashoin, and (sometimes) their children. His first success with Queen Victoria, 1842, was a straightforward figure in white satin and lace, holding a rose, against a stormy sky, paired with a more contrived one of Albert in dark uniform (but splendid with insignia of the Golden Fleece and the Garter - and still, though soon to be lost, his hair). The couple went on to commission over a hundred works from Winterhalter, some of them often repeated or copied, and becoming widely known through prints. Their taste had moved away from the romantic brio of Lawrence's followers to artists closer to the continental academic style, like Hayter, and then John Partridge, but Winterhalter's talent and accomplishment supplanted them entirely. He came to Buckingham Palace, Windsor and Osborne frequently in the 1850s and 1860s.

When the name of Winterhalter has been remembered, it has tended to be synonymous with "chocolate box." At times the gloss - especially if the paint has never been cleaned and is glazed with old crackled varnish - can be unappetising, but recently cleaned canvases can delight the palate indeed as the best chocolate, and not cloy. The range too is far from despicable. On a small scale he can be extremely engaging, as in a vision, in a frame of gilt rosebuds, of Victoria reclining on the terrace at Osborne, in a swathe of pink tulle and positively Mediterranean weather - or a brisk little oil sketch, handled with spontaneous freedom, of the Princess Beatrice aged two on 1859, romping in pink.

A favourite formula was to set the figure against a darkish background, lit from above and slightly behind. The body is seen in a profile, the face turned almost full. The bell shape of dress suits an oval frame very aptly, and in the 60s the silk and satin of the dress may often be veiled by a froth, a sparkle of light as if champagne. If decolletee, the slopes of the shoulders rise marmoreal, and pearls glisten. The sitter's face is firmly individualised even if, as often, glowing in half-shadow in reflected light.

The exhibition is presented in an elegant concoction - washed apricot on peach, then biscuit-shaded, with marbled columns - by Barry Mazur. Loans have come from Russia, Poland, Austria, France, Belgium, and many from the British Royal Collection - but only one from an Engish public collection (Port Sunlight, inevitably). A sign of the times perhaps is that one of the very few loans from American collections if from the Getty Museum at Malibu, a recent acquisition: a remarkable full-scale reclining wholelength of the great beauty Princess Leonilla of Sayn-Wittgenstein-Sayn of 1842. It is Winterhalter's tour-de-force on the Madame Recamier theme, but set in the Riviera-like balm of the Crimean summer. Beauty though she was, basking in the late afternoon sun, her face again glows in reflected light in half-shadow. An essence of the best flattery lies perhaps not in gilding the lily but in a certain economy of the truth.

The exhibition is sponsored by United Technologies Corporation, and there is to be a magnificent Winterhalter-costume ball at the Reform Club on December 12 in aid of the Gallery's Trust Fund. There is an aptly sumptuous catalogue/monograph that records a great deal of fresh research, much of it by the prime mover in the exhibition, Richard Ormond.

Private City/Sadler's Wells

Clement Crisp

The two novelties to London in Sadler's Wells Theatre Ballet's programme on Friday night could not have been more contrasted in manner or in components. I reported on the creation of Susan Crow's *Private City* and Derek Deane's *The Picture of Dorian Gray* from Birmingham in March and my feelings about the merits of the first and the rampant impossibility of the second were confirmed on further acquaintance.

Private City takes its inspiration from A.S.J.Tessimond's poem about London, "the reticent, the private city," and conveys in delicate fashion something of the dreams and traumas of its inhabitants. There is a fine set by Tim Shortall of leaning pillars which frame a distant architectural prospect - Mr. Shortall is an acquisition to ballet - in which Miss Crow's cast move almost ghost-like in their shiny plastic garments. A fascinating score by John Surman is an improvisation by the composer on soprano saxophone and bass clarinet against an electronic background: it captures with fine accuracy a feeling of evanescent gaiety and melancholy, and has inspired in Miss Crow dances whose purpose and dramatic validity seems much clearer than at the work's first performance.

People meet, pass on, are caught in moods joyous or contemplative, and we sense the mystery as well as the more obvious aspects of urban life. The ballet, in its understated style, tells of something vivid that its choreographer has found in Tessimond's poem, and a literary source has been respected. This, alas, is just what Derek Deane has shown himself unable to do with his *fin de siecle* capriccio. There seems little point in trying to make danced melodrama from the fevered taradiddle of the Wilde original.

Dance fails signally to explore the motives and the hectic energy of the tale, and Mr Deane (who is a musically sensitive creator) finds no help at all in the saccharin Lisztian pastiche confected by Carl Davis. Amid clever design by Peter Farmer, a large cast rampage in period dress, looking for all the world like players in some dire Hollywood costume extravaganza of the 1940s. Led by Petter Jacobsson as Dorian, the dancers behave badly, mumming and cavorting as aristos and derelicts: none of them convince us that what they are presenting is more than a lurid charade.

Mr Deane, as we know from earlier works, is too skilled a maker of dances to have to rely upon these factitious dramatic tricks, where production replaces movement as a justification for the enterprise.

The evening, fortunately, ended with *Paquita*, which reasserted the name of the company as dance ensemble, with Sandra Madgwick in the leading role. A particular charm of her performance lies in the fact that the more arduous the choreography, the more buoyantly happy does her dancing become. It was entirely true on this occasion - her variations shone with a bright and exhilarating fire.

Chilingirian Quartet/Elizabeth Hall

Max Loppert

In three fortnightly concerts the Chilingirian Quartet have been paying tribute to the memory of Peter Schidlof, lamented Amadeus Quartet violist. At Sunday's, the middle of the series, the quartet played Haydn's Op.33 no.2, "The Joke", and (with Steven Isserlis as second cellist) the Schubert Quintet: sound, unexceptionable, unremarkable performances of a kind hard to write about accurately without becoming patronizing. In the Haydn, the intonation of the quartet leader took a while to settle (this is a perennial Chilingirian weak point), but, when it did, the performance included most of the Haydn virtues except those of sparkle and wit (the silent bars of the finale didn't quite achieve full comic suspense). The interplay of lines in the Schubert was lively, accomplished, not really dramatic - one never felt huge risks being taken, mighty feats of daring essayed.

Mr Isserlis also joined the Chilingirian for the first performance of Stephen Dodgson's three-movement Quintet (1986). Hard, once again, to enumerate the virtues of Dodgson's latest piece of chamber music without seeming to underrate them. It is a highly accomplished example of string quintet writing - in the opening bars the division of the material between the upper three and lower two voices is expertly done, and later, when the exact opposite paths are opened up in recapitulation, one admires Dodgson's nice sense of purpose, and salutes his superior craftsman's skills.

It is a tonal work occupying an area bounded, roughly, by Janacek at one end and Britten (whose late "suite-movement" style and rhythmic elegance are notable models in the outer movements) and Tippett (whose bouncy, recognizably English contrapuntal working informs more than one passage). The Dodgson Quintet can be followed, honestly and clearly, as argument of a civilized, lucid kind from beginning to end. At the same time, I have to admit to a feeling during its course of familiarity with its sound and substance, and of disappointment by its close with the gentility of its aims and ambitions.

London New Music/Purcell Room

David Murray

Sunday's concert by this ensemble was deeply laid-back, and inoffensive as could be (except for the unexplained absence from the programme of the Mauricio Kagel piano trio originally announced, which was the main reason for attending). Even the piece with timpani was modestly low-profile and with other pieces entitled "Amnesia," "Aporia" and "......" it was a concert that already I can barely remember having heard. I expect the Kagel had just slipped their collective mind.

Instead of Kagel we had John Cage's complete music for violin and piano, which consists merely of six Melodies and a Nocturne composed four decades ago: the Melodies spare and quite genuinely folksy, the Nocturne a peaceful frieze of standard nocturne-gambits, drained of energy but elegant (as the earlier Cage unfailingly was - later Cage too, if it comes to that, but in a different tone of voice). The violin was only tolerably secure with Cage's prescribed non-vibrato and glassy harmonics, and the double-stops in the Nocturne.

It all took four minutes less than Anthony Marks' new "Aporia-Sonata" for clarinet and piano, which in four continuous movements proved that Hindemith is, if not exactly not dead, at least not forgotten. It had the marks of honest low-profile feeling, but also most of the surface features of Hindemith at his most imitable, a considerable distraction. London New Music had begun, naturally enough, with the tiny epilogue from Christopher Fox's 90-minute chamber cycle *Heliotropes*. Its pungent little clarinet-duo fanfares over ethereal vibraphone notes (bowed, not struck) gave no clue to how Fox may sustain the prior 87 minutes, for "Heliotrope 7" is strictly undeveloped.

Gerald Barry's "......" was a 1979 nonet, re-instrumentated as a sextet for LNM. Most of it is short lengths of ascending chromatic scales, and the chief dramatic thrill is the addition of some descending bits (sometimes with a small squeal at the top); after ten minutes of that, slower parallel chords make a sort of chorale-coda. Passing gaps in the scales sounded inadvertent, but may have been intended. Amid this company "Amnesia" seemed a dubious title for Matteo Fargion's new sextet (the piece with the timpani), since in its pawky way it shuffled and dealt its drily distinct elements quite purposefully. One never believed that it didn't know where it was going: though Fargion played with apparent inconsequence, his wittily fractured sequence of po-faced musical statements made cool, tight musical sense. The sppirit of Kagel wasn't, after all, entirely absent.

Cosi fan tutte/Oxford

Max Loppert

Peter Hall's Glyndebourne *Cosi*, third and last of his great Da Ponte productions of the 1970s, is in its final season - the current Glyndebourne Touring Opera performances will be its last. At the Apollo, Oxford, on Friday, regret at the impending disappearance was somewhat diminished, for the touring edition (by Stephen Lawless) appears to have moved some way from the original, in some respects to its detriment.

Hall's extraordinary achievement at Glyndebourne had been to scrap conventional *Cosi* farce and flummery, to insist on observant and above all *natural* characterization, to dig deep into the deepening discomfort and distress of the play without losing the comedy. Mr Lawless appears to have reinstated a certain amount of the older *Cosi* tradition; the comic effects (at such moments as the first announcement of the soldiers' departure, or the sisters' collapse onto a chaise longue after "Smanie implacabili") are not at all coarsely or insensitively arrived at, but the peculiar sober intensity of the original production is at no point recaptured.

What is on tour, in fact, is a well-rehearsed and quite attractively cast conventional *Cosi* with a gloss of superior polish provided by the excellent playing (woodwind, particularly) of the London Sinfonietta and the lively, securely controlled conducting of Graeme Jenkins - no blinding insights or exposure of disturbing emotional undercurrents, but scrupulously paced and balanced to suit the voices and the odd (but actually rather enjoyable) Oxford acoustical dryness. People encountering their first *Cosi* this way will have a good deal to be grateful for (even if the beastly surtitles leave out at least half the necessary information, while anticipating for the audience some of the jokes before the performers themselves have cracked them). But the further dimensions of the opera were only faintly adumbrated - in this respect, at least, it was not really the Peter Hall *Cosi*.

The strengths of the cast, Alfonso and Despina, and the relative lack of distinctive personality among the lovers did, however, fund the evening with a potent sense of the wire-pulling cruelty beneath the comedy. It was a brilliant idea to present John Shirley-Quirk, whom we have all seen and heard far too seldom on the lyric stage, as Alfonso. The age is right, the voice is in fine trim, and under a facade of perfect courtesy and geniality Mr Shirley-Quirk taps a vein of iron cynicism. I also cannot recall a better Glyndebourne Despina than Alison Hagley, sultry in looks, earthy in temperament, free of spirit, and no less cynical; the voice has a smoky colouring that suggests intriguing subtexts of its own.

Against such formidable operators the central quartet doesn't stand much of a chance. Mark Tinkler (of whose recent Scottish Billy Budd I retain happy memories) is a bland, vocally unfocussed, though notably promising Guglielmo; John Graham-Hall (Ferrando) has a real voice - in spite of his successful Glyndebourne Albert Herring, he's no *Spieltenor* - but an alarmingly incomplete command of it (one longs to send him to someone like Leopold Simoneau for lessons in Mozartian smoothness). Anne Mason's Dorabella, competent as ever, fails to occupy her space. As Fiordiligi the young Dutch soprano Annageer Stumphius is similarly reticent of manner, but graces the role with beautifully pure, light, unforced tone and style - this is a singer to whose future appearances, and steady future development, one looks forward with some relish.

Rostropovich/Festival Hall

Richard Fairman

Like the virtuosos of the 19th century, Rostropovich has inspired the great composers of his day to write for him. Of course, he is not alone among contemporary musicians in that (one thinks especially of the legacy left by Pears and Bernac in the field of song) but there is surely no other single artist who has been the source of great music from such a range of sources.

At Saturday night's concert, the sixth in his birthday celebrations, we reached two peaks of the contemporary cello repertoire. Shostakovich wrote his First Cello Concerto for Rostropovich in 1959 and the determination of this work to scale every summit of expressive intensity gives some idea of the impact made by the young cellist's playing: the solo part, invariably a lone voice, communicates on the grandest scale.

Nowhere is this more evident than in the heartrending slow movement and subsequent solo cadenza. After hearing Rostropovich hold his audience intent on every note of the score, it is difficult to believe that any other performer could make this music speak with more of its soul; for this was playing that had every colour of yearning and loneliness, of that very special Russian feeling of desolation.

There is not a bar of this concerto that does not have Rostropovich's personality stamped upon it. And though the same may not, perhaps, be said of Prokofiev's *Sinfonia Concertante*, that too is a work on which he had a formative influence and for which he is uniquely well suited. In revising his earlier Cello Concerto, Prokofiev had taken note of one of his soloist's most outstanding features - his phenomenal technical command - and rewrote accordingly.

Indeed, the central movement is quite a feast in itself. The fearsome double-stopping and passages up in the leger lines will be a test point for cellists in generations to come. Here, predictably, all was accomplished with dazzling skill and, though Rostropovich occasionally glanced over his shoulder as if expecting more dramatic support, Seiji Ozawa and the London Symphony Orchestra never failed him in vigour and energy.

In sum, this was a display of cello playing at its peak all evening. Even Boccherini's slight Concerto in D had any amount of tone colours and expressive nuance lavished upon it, as though to prove once and for all that there are no minor musical works, only minor performances.

Chris Rea/Wembley Arena

Antony Thorncroft

Chris Rea is one of those artists who packs out Wembley Arena, but discreetly. He sells lots of albums around the world, but rarely bothers the media. This is mainly because his music, although aimed at the relatively young, is blatantly middle of the road. It is indeed the perfect accompaniment when driving the car, but hardly stops you in your tracks on the domestic radio, where it hovers somewhere between Radios One and Two. But if you do start listening, and manage to distinguish one song from the other, which takes some time, it is easy to get hooked.

At Wembley on Saturday his audience was as good as gold, applauding politely, clapping along when told to, and only rising to its collective feet when Rea let go with "Lets Dance". His two hour set was wonderfully paced and by the end you just about knew that you'd been to a rock and roll concert. I suppose the big criticism is that you start comparing him with other artists. "He's the English Jackson Browne" you say when he starts one of his mournful lost love ballads; then you get carried away and see lots of Springsteen in such songs as "Steel River".

Rea is more bland in concert than on record. His voice loses something of its Geordie growl. But he plays the guitar beautifully, and how few singer-songwriters can add that third string to their technique; and he has packed his band with professionals, three of them on keyboards, including one who dresses like a pig farmer. Chris Rea might only have street credibility in Weybridge, but he is well worth giving a lift to on a trip down the motorway.

Arts guide

October 30 - November 5

Opera and Ballet

LONDON

Royal Opera, Covent Garden: final performances of the new Nozze di Figaro, conducted by Bernard Haitink, produced by Johannes Schaaf, with a first-rate cast including Claudio Desderi, Thomas Allen, Karita Mattila, Marie McLaughlin and Sarah Walker (240 1066).

English National Opera, Coliseum: One of the company's biggest hits of recent years, Jonathan Miller's updated mafia-style Rigoletto returns with John Rawnsley, David Rendall and Anne Dawson in the cast and Paul Daniel as conductor. Further performances of the musically excellent, dramatically rather weak new production of The Pearl Fishers and of the striking Werther with Arthur Davies and Ann Murray conducted by Mark Elder (836 3161).

PARIS

Spectacle Group (Groupe de Recherche Choreographique de l'Opera de Paris) choreographed by Ulysses Dove, Francois Verret and Carolyne Carlson at the Opera Comique (42960611).

London Festival Ballet with Eugene Onegin, choreographed by John Cranko with Natalia Makarova and Peter Schaufuss. Theatre des Champs Elysees (47209637).

WEST GERMANY

Berlin, Deutsche Oper: A guest performance by the Alvin Ailey American Dance Theatre. Also a guest performance by the London Royal Ballet Covent Garden with Stravinsky's Firebird/Scenes de Ballet/The Rite of Spring, choreographed by Mikhail Fokine, Frederick Ashton and Kenneth MacMillan (3 43 81).

Hamburg, Staatsoper: La Boheme features Julia Cornwell, Rachel Joselson and Francois le Roux. Ariadne auf Naxos is conducted by Klauspeter Seibel and has Hildegard Hartwig, Gertrud Hoffstedt, Judith Bockmann and Toni Blankenheim in the main parts. Heseon Kwon, Helen Donath, Yoko Kawahara and Harald Stamm star in The Magic Flute. Die Entfuehrung aus dem Serail is also in the repertory and The Nutcracker, choreographed by John Neumein is revived with Jessica Funt, Bettina Deckmann, Jeffrey Kirk and Gabriel Manferdini (35 11 51).

Frankfurt, Opera: The Frankfurt Opera under its new director Gary Bertini opens the new season with two operas by Christoph Willibald Gluck, Iphigenie in Aulis and Iphigenie auf Tauris. They will be the first productions in Germany of Greek producer Michael Cacoyannis, famous for the film Zorba the Greek. The sets are by Dionisis Fotopoulos, the conductor Gary Bertini. The cast includes Clarry Bartha and Gabriele Maria Ronge, both new to their roles; John Broecheler, Marjana Lipovsek, Curtis Rayam and Vladimir de Kanal.

Cologne, Opera: Pique Dame, produced by Rudolf Noelte will have its premiere this week with the cast led by Martha Modl. Nadine Secunde and Josef Protschka make their debut as Lisa and Hermann. Dimitrij Kitajenko conducts for the first time in Cologne. Der Barbier von Seville rounds off the week (2 07 61).

Stuttgart, Wuerttembergisches Staatstheater: Die Entfuehrung aus dem Serail, produced by Niels-Peter Rudolph will have its premiere this week. The cast brings Krisztina Laki, Yasuko Kazaki, Uwe Heilmann and Helmut Berger-Tuna together (2 03 21).

NEW YORK

Metropolitan Opera (Opera House): The first seasonal performance of Franco Zeffirelli's production of La Boheme conducted by Julius Rudel highlights the week with Roberta Alexander and Brian Schexnayder. Continuing are Otto Schenk's production of Die Walkure, conducted by James Levine with Hildegard Behrens, Timothy Jenkins and Hans Sotin; and Franco Zeffirelli's production of Tosca, conducted by Christian Badea with Eva Marton, Sherrill Milnes and Italo Tajo. Lincoln Center (362 6000).

Frank Corso's production, along with Turandot. Lincoln Center (870 5570).

New York City Opera: The week features Jack Hofsis's production of The Student Prince conducted by Paul Gemignani, with Leigh Munro, Dominic Cossa and Jon Garrison in the title role. Performances include Tosca, with Elizabeth Holleque in the title role conducted by Alessandro Siciliani in

Jeffrey Ballet (City Center): The month-long schedule has three premieres, including a Robert Joffrey Nutcracker, Nijinsky's Le Sacre de Printemps and Three Preludes by Ben Stevenson set to Rachmaninov, along with Frederick Ashton's La Fille Mal Gardee and nearly 24 repertory favourites. Ends Nov 22. 55th E. of 7th Av. (947 5850).

Bucket Dance Theatre (Joyce): Garth Fagan's modern company, with African and Caribbean flavours, premiere Passion Distanced and Traipsing through the May. 175 8th Av at 19th St (242 0800).

TOKYO

Deutsche Opera Berlin: Siegfried from Wagner's Ring, director Gotz Friedrich, orchestra conducted by Jesus Lopez Cobos. Soloists include Robert Hale, Horst Hiestermann, Gottfried Hornik, Daniela Bechly, Catarina Ligendza, Jadwiga Rappe. Tokyo Bunka Kaikan (Wed) (726 8888).

San Francisco Ballet: works include The Dreamer, choreographed by Jerome Robbins; Concerto in D, Poulenc, choreographed by artistic director Helgi Tomasson; Theme and Variations, choreographed by George Balanchine, Tokyo City Philharmonic Orchestra conducted by Denis de Coteau. Tokyo Kosei Nenkin Kaikan (Mon, Tues, Wed) (573 3588).

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THE GIN OF ENGLAND

Saleroom/Antony Thorncroft

Still money around

The City still has some surplus cash. The Ironmongers Company paid £26,400 at Christie's yesterday for a punch bowl made in China in the early 19th century, probably at the request of Sir Charles Price who was master of the Ironmongers Company and Lord Mayor of London in 1802. Or it could have been a present to commemorate his achievements. The price was nicely within forecast.

The bowl is decorated with two paintings of contemporary London: on one side there is the classical facade of the Mansion House; on the other Fenchurch Street. The painting is reckoned to be among the finest recorded on Chinese export porcelain of this period. The scenes are taken from two well known enrgravings of around 1750 from which the Chinese craftsmen worked.

The auction of Chinese export poreclain totalled £166,881 from the morning session, but with 30 per cent unsold. It seems to be a characteristic of recent weeks that the top lots find buyers but that run of the mill antiques are out of favour. Obviously the market is very cautious. Perotto, an Italian dealer, paid £14,300 for a rare famille rose pronk saucer dish. Cortnelis Pronk was commissioned by the Dutch East India Company in the early 18th century to produce models and designs to be produced in the East after the insatisfactory results produced by designers and potters in Delft. A similar Pronk saucer dish made £6,600. Both show a woman with a parasol, one of the nine known pronk patterns.

Once a year in November Sotheby's holds a major sale of Dutch, Flemish and German drawings in Amsterdam. It happened yesterday, and totalled £341,753, with 21 per cent unsold. This relatively high figure was mainly attributable to a red chalk drawing by Rubens of Moses striking the rock, unsold at £53,000. On the positive side a private collector outbid the London dealer Baskett & Day for some studies of the head of a fox attributed to Van Dyck. They went for £82,290 as against an estimate of around £20,000. A record auction price of £24,689 was paid by the New York dealer Bob Haboldt for a male nude by Adriaen van de Velde.

Sotheby's suffered a setback in New York on Saturday when a Louis XIV ormolu mounted brass and tortoiseshell-inlaid ebony bookcase, attributed to the great Andre-Charles Boulle, failed to find a buyer. The size - it measures over 12 feet in length - of the piece, and the ornate medallion at its centre, suggest that it was a royal commission, perhaps by the King himself for his own appartment at Versailles. Despite the best efforts of Sotheby's to confirm this regal origin, and the fact that it had been in the collection of Baron Gustave de Rothschild for many years, there was no buyer prepared to pay around $1m for it.

The auction totalled £1,913,983 ($3,344,495).

FINANCIAL TIMES
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Gorbachev's socialism

THE SOVIET Union is celebrating 70 years of socialism with a long, searching look in the mirror, and is finding the courage and confidence to admit that it is not a pretty sight.

That is not to say that the strict regime of diet and exercise prescribed by its leaders will be joyfully undertaken or rigidly adhered to. But Mr Mikhail Gorbachev's keynote speech in Moscow yesterday, and the reaction to it, indicate that the Soviet people stand poised at the start not of a major change of direction but of a major re-evaluation of where socialism has brought them and where they want it to go.

That the direction remains unchanged was clear from Mr Gorbachev's assessment of the Stalin years, but he has set in train a new reading of Lenin. Professor Nina Tumarkin, in the excellent guide "The Soviet Union Today", has catalogued the earlier versions: the martyred hero of genius in the 1920s, the dead Lenin as "pedestal for the living Stalin" of 1934-53, the "benign dimpled gentleman in soft focus" of the Khrushchev era. Now we have a fourth version: the scourge of bureaucracy and creator of the New Economic Policy with its emphasis on individual economic initiative. The Russians are finding, like the Chinese before them, that it does not matter whether their cats are black or white so long as they catch mice.

Stalin's legacy

In making public his denunciation of Stalin's crimes, Mr Gorbachev has gone further than his precursor Nikita Khrushchev, whose "secret speech" to the twentieth party congress in 1956 remains unpublished in the Soviet Union. Even so, he did not spell out the full horror of those crimes. "Many thousands of party members and non-members were subjected to mass repressions", he said, whereas among western and unofficial Soviet historians 20m is a conservative estimate for the number of deaths.

And, in opening up the subject for discussion, Mr Gorbachev defended important aspects of Stalin's legacy. Though the 'crimes and excesses' were enormous and unforgivable, he said, the policies they imposed - the forced collectivisation of farms and the race to industrialise - were essential if the cause of the revolution were to survive: 'No other course could be taken.' These omissions and reservations should serve to dispel any illusions that he is planning to construct a market economy or introduce "bourgeois" democracy.

Mr Gorbachev's passionate commitment to socialism has never been in doubt. He, more than anyone, is convinced that it can be made to work. If he appears determined that his efforts should not be dissipated by over-zealous, over-enthusiastic supporters whose actions may require him to fight on too many fronts at once, that should not be taken as a sign of readiness to bow before the conservative opposition.

Confident leader

On the contrary Mr Gorbachev, launching the anniversary celebrations, looks like a supremely confident leader who knows where he is going, and, while aware of the obstacles confronting him, sees no need to change course because of them.

Many in the West, looking approvingly at his efforts to reshape Soviet society, wonder whether he can survive, whether the forces of conservativism will not do for him as they did for Khrushchev. That may be to misunderstand the nature of his power. He is perhaps more realistically seen as a traditional Russian leader - the latest in the long line of tsars. If he offers his people glasnost and democratisation, it is his offer, and is being made on his terms, as his unmistakable warning to supporters such as the Moscow party chief, Boris Yeltsin, has made clear.

The West should approve and support his efforts to make the Soviet machine function more efficiently and to the benefit of its people. But it should not overlook the nature of the machine: not only its resistance to change, but also the fact that it contains no real check on the driving force at the centre.

It was the Soviet system which produced Stalin, as much as the other way round; the fact that Mr Gorbachev is highly aware of this and considers it inconsistent with true socialism is no safeguard against it happenning again.

China's drive for reform

CHINA'S PARTY congress has ended in apparent triumph for Peking's reformists, who now look set to carry the country into the 1990s. While Deng Xiaoping, the country's reform-minded supreme leader, has resigned from most of his key posts, he has taken with him the majority of the conservative 70- and 80-year-olds who previously sat on top party councils. This is all the more surprising since these elderly hardliners seemed to make a comeback earlier this year with a campaign against liberalism provoked by the winter's student demonstrations.

Since Chairman Mao died 11 years ago the reformist movement has been gradually gathering strength. With the election of a new Central Committee and Politbureau, many of whose members are associated with the changes orchestrated by Deng since he took power in 1978, China now seems ready for a purposeful and realistic effort towards modernisation.

New freedoms

Much has already been achieved. Freedoms unthinkable in Mao's day already exist. As long ago as 1979 the rural communes began to break up, free markets were instituted and peasants allowed, within certain limits, to grow what they liked. The dissolution of the collectives and the new flexibility in the countryside led to a huge and profitable growth in small industry which helped to satisfy the crying needs for even simple consumer goods.

1984 the leadership turned its attention to reforming the urban economy, and while these changes have run into sizeable problems, they are still at the forefront of Chinese policy. On top of that, the growing familiarity among Chinese people with concepts such as managerial independence, incentives for workers, flexible prices and even the purchase of shares, has begun, if only just, to change national attitudes.

This reform programme now seems certain to continue. Premier Zhao Ziyang, protege of Deng and himself a reformist, has been confirmed as party general secretary in place of Hu Yaobang, also a Deng man but forced to resign last January after the student demonstrations. But Hu kept his place on the 18-strong Politbureau elected yesterday and the man often regarded earlier as his heir, Hu Qili, was voted onto China's ruling five-man Politbureau Standing Committee. The new Politbureau now contains experienced and pragmatic provincial leaders. This surely confirms the pre-eminence of the reformers. The main document of the Congress, party leader Zhao's report, affirmed almost throughout its 34,000 words the need for reform. Ideological justification was provided in the form of a definition of the country's present policies as the "initial stages" of socialism. This is to last until at least the year 2050. The task for this period is seen simply as to become more prosperous.

However the reformers are unlikely to have a smooth ride. The new Politbureau Standing Committee looks split between strong Deng supporters and those who like Li Peng, the man widely expected to take over the premiership from Zhao next year, seem more committed to the ideas of central planning. Though the elderly conservatives have retired from their formal posts, they will retain much of their influence. The question of army leadership, still in Deng's hands, will recur with increasing pointedness as he grows older. And it is a safe bet that in the middle ranks of the party, recruited during the 1966-76 Cultural Revolution, there are many who do not favour the changes.

Party intervention

The political reforms Zhao proposed will be unpopular to implement since they will cut back party intervention and leave many junior party members without a real role. A previous effort to reform the party by examining individual credentials fizzled out completely.

Perhaps most important is the question of whether the new leadership can actually implement the programme outlined by Zhao. On the economic side, many of the measures he discussed, such as price and banking reforms, have already been tried and run into difficulties. Inflation has been a serious problem this year, causing considerable discontent. Proposals to instal a bankruptcy system to make the economy more efficient have not worked well and did not rate a mention in Zhao's report. While Peking may now have the consensus it needs among the leadership for reform, getting it to work effectively is another matter.

Secrets of success

A year ago, London Stock Exchange firms knew what it would take to do well out of Big Bang. Mostly, says **Clive Wolman**, they were wrong

SEAQ MID-PRICE TRENDS
SECURITIES FIRMS (21) NOVEMBER 1987

Pre- Big Bang firms	Present firm	Owner
LEADERS **Stickers to the knitting**		
James Capel	James Capel	Hongkong & Shanghai Bank
Phillips & Drew, Moulsdale	Phillips & Drew	Union Bank of Switzerland
Hoare Govett	Hoare Govett	Security Pacific (US)
Smith Brothers	Smith New Court	Independent
Integrated investment banks		
S.G.Warburg Akroyd & Smithers Rowe & Pitman Mullens	Warburg Securities	S.G.Warburg
Barclays merchant bank, de Zoete & Bevan, Wedd Durlacher	Barclays de Zoete Wedd	Barclays Bank
LAGGARDS		
L.Messel	Shearson Lehman Securities	Shearson Lehman Brothers
W.Greenwell S.Montagu	Greenwell Montagu Securities	Midland Bank
Quilter Goodison	Paribas/Quilter	Paribas (France)
RECOVERY STOCKS **Subsidiaries of banking giants**		
County bank, Fielding Newson -Smith, Bisgood Bishop	County Natwest Securities	National Westminster Bank
Simon & Coates, Laurie Milbank	Chase Manhattan Securities	Chase Manhattan Bank (US)
Scrimgeour Kemp Gee Vickers da Costa.	Citicorp Scrimgeour Vickers	Citicorp(US)
Integrated investment banks		
Kleinwort Benson. Grieveson Grant	Kleinwort Grieveson Securities.	Kleinwort Benson
Morgan Grenfell Pinchin Denny Pember & Boyle	Morgan Grenfell Securities	Morgan Grenfell
QUESTION MARKS		
Laing & Cruickshank	Alexanders Laing & Cruickshank	Formerly: Mercantile House. Now: Credit Lyonnais (France)
Wood Mackenzie	Wood Mackenzie	Formerly: Hill Samuel. Now: ?
DARK HORSES		
—	Goldman Sachs Equity/Govt Securities	Goldman Sachs(US)
—	Salomon Brothers	Phibro-Salomon(US)
(Giles & Cresswell)	Merrill Lynch	Merrill Lynch(US)
—	Nomura International	Nomura Securities (Japan)
Cazenove	Cazenove	Independent

FOR THE FIRST 11 months of Big Bang, London's securities firms had many problems - and one very large consolation. In a continuous bull market, no one was easily able to distinguish winners from losers; former stockbroking and jobbing firms were able to gloss over strategic blunders and suppress their latent management problems.

Even though their 1986-87 profits were mediocre, the two largest firms to be put back on the market since Big Bang, Alexanders Laing and Cruickshank and Wood Mackenzie, had attracted offers two to three times their original purchase prices. A start-up firm, Ark Securities, was sold for £17m last month only a year after its launch.

As City firms look back from the perspective of the market crash, their well-laid plans for the financial services revolution do not look as sound as they did at their conception.

In the three year run-up to Big Bang, more than 20 banks acquired stockbrokers or jobbers or both. Most based their moves on what became the conventional wisdom, that the following five ingredients would be needed for success in the new world:

- The capacity to offer both investors and companies (for whom traditional bank loans were becoming less attractive) an integrated service covering corporate finance advice and the issue, distribution, research and market-making of securities.
- Professional, corporate management; the old partners, it was assumed, would not be capable of introducing the new skills, systems and services.
- Substantial capital backing, which could only be provided by a large financial institution.
- The opportunity to reap economies of scale from belonging to one of the handful of large financial institutions which would come to dominate the global securities and investment banking.
- As an alternative to size, a small, specialist niche such as a loyal base of small investors or local companies in a provincial city.

A year after Big Bang, all the surveys of institutional investors and other customers of the securities industry, as well as market-share figures and fragmentary financial results, have shown that those who were at the front of the pack before Big Bang have moved further ahead now.

The six clear winners so far have been the two leading pre-Big Bang research brokers, James Capel and Phillips and Drew (both of which have been building up large corporate finance departments), Hoare Govett, (also one of the top five brokers both for research and corporate finance) and the firms built around the three leading jobbers; Wedd Durlacher, Akroyd and Smithers and Smith Brothers.

The six fall into two groups. Capel, P & D, Hoare Govett and Smith Brothers have, in the phrase of the US management writers, Peters and Waterman, "stuck to their knitting." Despite grafting on a trading or, in Smith's case, a research and sales, arm, they have largely preserved their methods of working with minimum intervention from their new owners.

The consistent strength of Capel's analysts and salesmen meant that only two factors were necessary for its continued dominance as the only major equity broker with no market-making capacity: high enough morale to rebuff the ubiquitous headhunters and the continued importance of research to institutional investors.

In the first two months after Big Bang, as investors transacted more than 60 per cent of their bargains on a commission-free basis, the second assumption started to look questionable. But after the New Year, commission payments revived. Despite its strategic conservatism, Capel has also become one of the leaders in buying from investors large tranches or portfolios of shares and reselling them quickly and profitably.

The Phillips and Drew partnership, after hesitating for a long time over its Big Bang strategy, eventually found a powerful owner, the Union Bank of Switzerland, with experience of integrated investment banking. However, after a year of hands-off management, the increasingly interventionist stance of UBS, in centralising the credit-rating of all P & D customers with its own, for example, may start to arouse resentment.

Why did Capel, P & D and Hoare Govett have to sell themselves to foreign banks? All three pay lip service to the potential for synergy with their owners. This will be achieved, they say, through that fall-back justification for so many mergers, cross-selling, mainly in remote corners of the globe. But so far the only tangible benefit from their owners has been injections of capital.

Yet if all they needed was capital, they could have followed the example of Smith Brothers and the advice they must have given to hundreds of corporate clients and floated themselves on the stock market. Phillips and Drew came closest to doing so. Prospectuses were printed and profit forecasts prepared. But the scrutiny to which public companies are subjected was in the end considered too fearsome. James Capel, however, is now discussing the possibility of listing a minority of its shares on the Stock Exchange.

Question marks hang over those firms which are being built up from scratch

The one leading firm which rebuffed all purchasers was Cazenove and Co, still a partnership, which remains the leading UK corporate broker. But its continued success depends on the outcome of the official investigations into two controversial takeover battles in which it was involved in 1986, the Guinness bid for Distillers and Turner and Newall's bid for AE.

Smith's success formula has been even more conservative than the other three. It still eschews the risk management controls based on predetermined trading limits used by most of its competitors. But its independent stance has attracted several top research analysts. Like the other jobbing firms, Smith, with its efficient back office and stock borrowing experience, has profited from what has become an important feature in the last six months, the backlog of unsettled bargains.

In accordance with the classic pre-Big Bang strategic formula, the other two successful jobbing firms have been brought into integrated securities and investment banking operations, managed by the two UK firms considered to have the best chances of becoming world players, S.G. Warburg and Barclays. Their achievements in managing such ambitious transitions have been much greater than those of the other four winners.

The Big Bang laggards and losers have been, as predicted, those middle-rank firms which were drifting into decline well before 1987 because of their slowness to adjust. Their problems have been compounded by the shifting strategies and clumsy handling of their owners.

L. Messel, a traditional blue-blooded partnership, has been jolted rudely into the new world by Shearson Lehman, a partner with which it was uniquely ill-matched. Despite its long experience of acquiring and integrating securities firms in the US, Shearson seriously underestimated the competitiveness of the UK market. It expanded staff too rapidly, then, when its market share failed to pick up, cut back and introduced a full-blooded US-style sales-driven philosophy relying on a team of generalist salesmen paid entirely on commission. In September, Shearson became the first Stock Exchange firm to announce large-scale redundancies with the loss of 150 jobs.

By contrast, Paribas/Quilter Goodison, after changing parents in mid-stream, has been allowed to decline more gently as a result of defections of analysts and salesmen, rebuffs to its share-shop initiatives (which it now appears to have overcome) and settlements problems.

The most unfortunate firm has been W. Greenwell, a leading research firm, with an old-fashioned lack of emphasis on selling. It was carved up three ways by its new owner, Midland Bank, and then forced to withdraw from equity market-making only six months after Big Bang as a result of a poorly rationalised shift in strategy by its demoralised parent. The firm then suffered more than 25 resignations of senior staff.

In the middle are those firms which were pushed together and shaken up by their parents, creating unrest and resignations, but which have subsequently recovered. In this category fall the firms acquired by the three largest banks to enter the UK securities market, Citicorp, Chase Manhattan and National Westminster.

NatWest considered it was too risky to invest as heavily as Barclays in acquiring securities firms. It bought a middle-rank broker and a jobbing firm with strengths in different sectors of the market and then had to fill in the gaps through extensive recruiting which left its management with insufficient time to handle the other problems of integration.

Chase Manhattan took on the challenge of putting together two broking firms and imposing tough budgetary controls and reporting procedures. It has recently recovered from a slump in morale and defections during last winter.

Last year, Citicorp began introducing similar centralised controls and standards, in line with its general management philosophy, to the two broking firms it acquired, Scrimgeour Kemp Gee, one of the top research brokers, and Vickers da Costa. But after it, too, suffered defections, the policy was put into reverse and three of the managers it sent across from the US were recalled. Since then it has become a major market-maker and its damaged research reputation is being rebuilt.

The other two firms in the recovery category are Kleinwort Grieveson, whose progress, particularly in international equities, was marred during the winter by a breakdown of controls which led to chaos and substantial losses in its back office operations, and Morgan Grenfell Securities. Morgan erred in failing to buy an equity broking firm to link up with Pinchin Denny, the jobber it acquired. Serious recruitment to build up a broking arm began only a few months before Big Bang, and then suffered from the fall-out of the Guinness affair and the insider-dealing prosecution of its joint managing director Mr Geoffrey Collier.

The biggest question marks hang over the two firms changing parents, Wood Mackenzie and Alexanders Laing and Cruickshank, and those firms being built up from scratch by the large US and Japanese securities houses. Nomura has now replaced Salomon Brothers, Goldman Sachs and Merrill Lynch as the firm which poses the most ominous overseas threat. Although Nomura has a massive capital base and domestic clientele of investors, the advantages of size in the new City have been exaggerated. Witness the number of banks, such as NatWest and Hill Samuel, which have failed so far to reap the much-acclaimed benefits of integrating their corporate finance and other banking activities with their newly-acquired broking and market-making arms.

None of the five "ingredients of success" outlined above have thus emerged as important factors distinguishing the leaders from the strugglers and those doomed to disappear. The only proposition beyond doubt is that investment in quality, in firms with strong professional managements already in place, has paid off.

A series of articles starting on the Management Page tomorrow will examine how the leaders and laggards have fared in particular areas of management activity: personnel, planning, marketing and financial and other control systems.

Men and Matters

Hoffman takes off

Mike Hoffman, current president of the Institution of Production Engineers, and a senior figure in British engineering at 48, is nothing if not catholic in his business ventures.

In his time he has been with Rolls Royce, chairman of Perkins (diesels), part of the rescue team for Massey Ferguson (tractors), and latterly chief executive of Babcock International (power stations) until its merger with FKI.

Now Hoffman's career might be said to be taking off.

He is to be the new chief executive of Airship Industries which recently won a $170m contract to develop an airship for the US Navy - the largest contract ever placed in the history of airships.

The US wants a big airship designed to high technology specifications to act as a semi-permanent radar station, hovering for days on end high above its battle fleets.

Such a craft would, if available, be very handy above the Persian Gulf at the present time.

The Australian-based entrepreneur and yachtsman, Alan Bond, who is the principal shareholder of Airship Industries, nursed the company along with small passenger-carrying airships - they have cruise over London for the last two summers - while pitching for the unique US development contract.

With Airship Industries now playing in an altogether bigger industrial league, it badly needs a chief executive with Hoffman's track record in production engineering and management.

Alan Birchmore, an executive director of Bond Corporation Holdings, who has been running Airship Industries in Britain, will remain on the board, but will be spending more time managing Bond's other European interests.

Porter in post

What John Gardiner, chief executive of the engineering business, the Laird Group, calls "a well planned change" sees some musical chairs in the top management.

Erik Porter, aged 48, has been appointed managing director and will be concerned with the day-to-day management of the group, while Gardiner, aged 51, assumes a more strategic role by combining the jobs of chairman and chief executive.

Sir Ian Morrow, chairman since 1975, is retiring. Ian Arnott, aged 44, an executive in the group, becomes finance director in succession to Porter.

Laird, which used to be synonymous in investors's minds with steel, shipbuilding, trains, and buses, has narrowed its range of interests out of all recognition. Its business is now in equal parts in Britain, Europe, and the US, and one-third of its £360m annual sales is coming from making car body seals.

Porter, who joined the group in 1973, and became finance director four years later, went to school in Australia, and later Aberdeen. He became a Scottish chartered accountant. His first years with the Laird group were spent in management at the then subsidiary, Scottish Aviation.

He is certain to continue Laird's momentum away from traditional engineering and into growth manufacturing areas such as the automotive seals, plastics, and printing and packaging.

Trying time

Hungary's outspoken new Prime Minister, Karoly Grosz, was given a Western style welcome by local reporters on his return from a recent visit to West Germany. A Radio Budapest reporter asked Grosz whether he would have time, despite his gruelling schedule, to try out the new BMW he had been given in Munich.

Grosz, who recently unveiled a tough economic austerity programme, laughed and said he could not try it out because he was on his way to parliament and afterwards would start reading up for his negotiations in Moscow. Then there was a meeting on the economic situation and Comecon, after which he was off to Moscow.

Undaunted, the reporter urged the Prime Minister to say something about the BMW because people were interested in what would happen to it.

Grosz: 'As to what happens to the BMW, I don't even understand the question.'

Reporter: 'Will you ever find time to sit in it?'

Grosz: 'Well, I don't have the time. But I would like to say the following. First, I am absolutely certain I will not take it home. Secondly, I am not going to take it to the second-hand market to sell it. More than likely, I will retire the service car which is currently at my disposal and will take over the BMW - sit in it. It must still be decided whether it should have the scheduled private registration number or a Government registration. But that is no longer my business. It's up to the Government. What is absolutely certain is that this is the car I am going to use, that is, I shall use it for work.'

Whittle's honour

Sir Frank Whittle, pioneer of the aircraft jet engine, who is currently visiting Britain from his home in the United States, will attend the unveiling next week of a bust of himself commissioned by the Institution of Mechanical Engineers.

The bust, sculpted by Irena Sedlecka, who came to Britain from Czechoslovakia in 1966, will be unveiled at a ceremony on November 12 by Sir Francis Tombs, chairman of Rolls-Royce.

The Institution, which made Whittle, 80, a honorary fellow in 1984, is to honour him also by naming an ante-room at its London headquarters the Whittle Room, in which items associated with his career and the development of the jet engine will be featured.

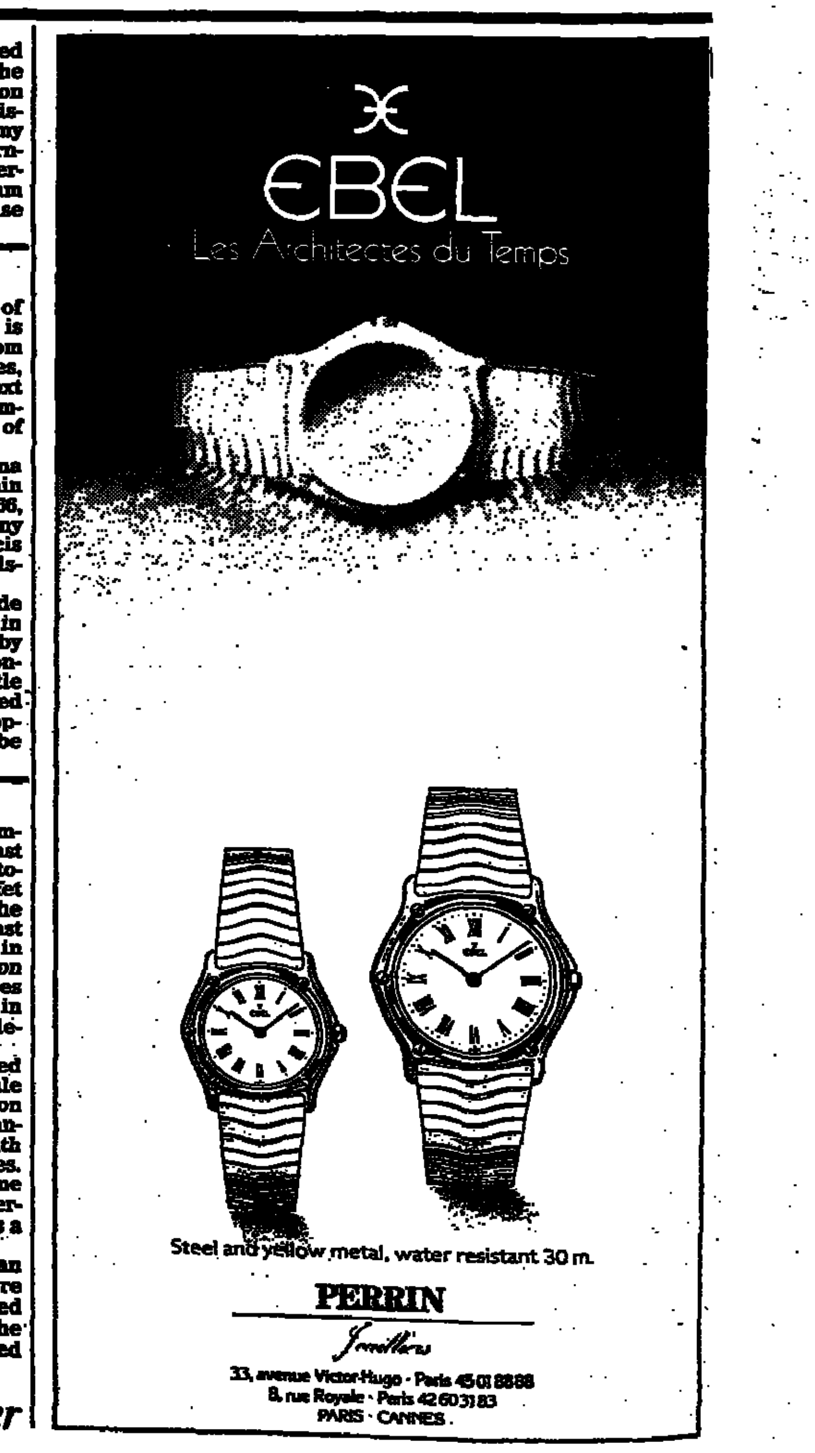
Tasteful

My man in Berlin was trampled the other evening by East German officials rushing towards a mouth-watering buffet set up for a reception in the West German mission in East Berlin. In an exercise in one-upmanship, the mission had cleverly laid on delicacies which are rarely if ever seen in East Geramny even by middle-ranking party functionaries.

One East German balanced four bananas on his plate while others dug into smoked salmon and eel. Strawberries were another popular item along with fresh pineapple and grapes. One exotic fruit caused some puzzlement until an East German positively identified it as a kiwi.

Unlike post-war West German receptions, however, where guests frequently shovelled goodies into plastic bags, the East Germans strictly avoided taking home any of the spoils.

Observer


EBEL
Les Architectes du Temps
Steel and yellow metal, water resistant 30 m.
PERRIN
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33, avenue Victor-Hugo · Paris 45 01 88 88
8, rue Royale · Paris 42 60 31 83
PARIS · CANNES

Although the INF treaty promises disarmament, Europe's remaining nuclear forces will be strengthened. **David Buchan** reports

Respinning the arms web

LIKE THE Roman god Janus, western nuclear arms planners face two ways - ready to usher out one set of ground-based cruise and Pershing missiles only to beckon in a modernised array of shorter range weaponry, and possibly some new missiles launchable from the skies above Europe and the seas around it.

Western public opinion may well be dismayed by the spectre of nuclear rearmament seeming to threaten the gains of the Intermediate Nuclear Forces (INF) treaty, soon to be signed with Moscow. The Kremlin, for its part, will almost certainly cry "circumvention" and charge the west with breaking the spirit, if not the letter, of the INF pact.

But Nato military commanders - in particular General John Galvin, the supreme allied commander in Europe and his predecessor, General Bernard Rogers - believe selective nuclear reinforcement is vital to maintaining Nato's deterrent strategy of flexible response. This requires the west to be able to match any Warsaw Pact threat at an appropriate, and thus credible, level.

Caught somewhere between the nuclear allergy of many of their citizens and the nuclear bent of their commanders are Nato governments. They have always been secretive on nuclear matters, and never more so than now on the future of Nato tactical nuclear forces - those whose range of under 5,000 kms means that they cannot reach from one superpower to another. For the past four years plans have been drafted, options discussed. But only in Washington have they had anything like a public airing; in Europe, governments have kept as silent as their generally less demanding legislatures allow.

However, the imminence of an INF treaty is now forcing urgent consideration of the post-INF nuclear map of Europe. The 13 Nato defence ministers that make up the Nuclear Planning Group meet today in Monterey, California to start sketching out decisions that must be taken in 1988.

For the nuclear planners, the timeclock will begin running the minute an INF pact is signed. In theory, Nato has agreed to continue towards its goal of 572 cruises and Pershings until the pact is not only signed but ratified by the US Senate. But once signed, European political support for further INF deployments is likely to crumble. Those countries - Belgium, the Netherlands, Britain - due to deploy further missiles may not do so, while West Germany and Italy may start rejecting the full complement they already have. Thus, as Mr Henry Kissinger has warned, "non-ratification (of an INF pact by the Senate) is not an option".

In fact, deficiencies in tactical nuclear weapons - supposed to link conventional forces with US strategic (inter-continental) missiles in a seamless web of deterrence - were evident several years ago. In 1983 the nuclear planning group, meeting at Montebello in Quebec, committed itself to reducing the number of tactical weapons in Europe, and redistributing and modernising the remainder.

Success has been mixed. Nato has pulled 2,400 weapons out of Europe (leaving 4,600), and, rightly, made some propaganda ploy of it because the Soviet Union has increased its comparable weapons in the meantime. But what went were mainly dangerous and/or ineffective weapons like atomic mines, Nike-Hercules air-burst weapons and ancient Honest John rockets. Nato commanders have requested that remaining weapons be spread more evenly, with fewer in central Europe and more on the flanks. But Nordic refusal and Turkish reluctance have stymied that plan.

Finally, General Rogers proposed in 1985, and General Galvin has this year re-endorsed, new systems:

- an improved and longer range version of the existing 110km-range Lance missile. US troops in Europe now hold 108 of these and the allies 55. Design and development of the new Lance is underway in the US.
- improved range and accuracy for the roughly 1,000 nuclear artillery shells which the US has provided for its forces in Europe and those of its allies. The US has already re-equipped its forces with new 8 inch (203mm) shells, but a 6 inch (155mm) shell is still under development.
- a "stand-off" nuclear missile that can be fired from an aircraft well away from a target, like a mini-cruise missile. The US is developing such a missile. In Europe only France is introducing something similar, the ASMP missile, though in July the US and six European countries including the UK started development of a stand-off weapon that could carry a nuclear charge.

This modernisation is proving slow. For the first time since the first tactical nuclear weapon (an artillery shell) was deployed in Europe in 1953, the Europeans are being asked for a serious cash contribution to tactical nuclear re-equipment. But spending money means informing parliaments - hence a double reason for governmental procrastination. Sensitivities are, however, not confined to Europe. Congress, which does not want to pay for weapons the Europeans will not allow to be deployed, has restricted production of new 8 inch shells to 925, halted production of neutron artillery shells after 40 were made in the early 1980s, and ordered a purely conventional role for the new Joint Tactical Missile System (JTACMS).

None of these systems are considered a substitute for longer range INF weaponry. Indeed the planning assumption in 1985 was that Pershings and cruises would stay. So nuclear planners are now talking of other "compensatory measures" or "adjustments" for the disappearance of INF. Options focus on relatively speedy reassignment of existing US forces rather than time-consuming creation of new ones. They seek to exploit the fact that the INF draft treaty covers only ground-based systems. They range from basing cruise-armed B-52 bombers in Europe (most unlikely) to basing more F-111 aircraft in Europe and assigning some submarine launched cruise missiles to Gen Galvin.

All the options have clear drawbacks. Manned aircraft are increasingly vulnerable to ever-better Soviet air defence. Using sea-launched cruise missiles as tactical and strategic weapons might be unwise; Moscow would never be able to tell whether the cruise rising out of the sea was an intermediate warning shot or the start of the final US onslaught, and might miscalculate accordingly.

But leaving Nato, post-INF, predominantly equipped with short range nuclear weaponry - and in that outmatched numerically by the Warsaw Pact - might be worse. Certainly, Nato's main frontline state, West Germany, feels that Mr Lothar Ruehl, the deputy German defence minister, recently pointed out the irony that Nato forces in Europe might soon have conventional weapons of longer range than their nuclear arms and stressed, "Nato must not fall back on nuclear battlefield support" as a consequence of controlling longer range nuclear arms.

The first nuclear weapon ever used in Europe would, after all, most likely be a battlefield shell. However clear Nato guidelines for political authorisation, "the tradition of a field commander putting his blind eye to the telescope," as Dr David Owen has pointed out, "did not die with Lord Nelson".

Nuclear-capable launchers on Nato's central front

Source: IISS

	Belgium	Neths	W. Germany	UK	Italy	France
Aircraft	36	75	184	170	64	143
Artillery	179	294	812	101	232	0
Short range missiles*	5	6	26	12	6	44

* (under 500km range)

FOREIGN AFFAIRS

A captivating but empty anniversary

The 1917 model may not apply to Mr Gorbachev's Russia, says **Edward Mortimer**

THIS WEEK the Soviet Union celebrates the 70th anniversary of the Bolshevik revolution. It does so in the throes, or perhaps only at the beginning, of a new "revolution" - or so its leaders have proclaimed.

Of course this will be a revolution with a difference: without bombs or bullets, Mr Gorbachev says; a revolution deliberately planned and engineered from the top.

That is, assuming that things do not get out of control. When one thinks about it, revolutions in the first stages are always engineered by part of the existing ruling group against another part. In order to win their point they open up the political system and call in new forces from outside. But the outside forces turn out to have a different agenda of their own. Once mobilised, they prove difficult to demobilise - and that is when things get really interesting.

Clearly there is a risk - or a chance - that that will happen again in the Soviet empire. Mr Gorbachev's purpose in proclaiming *glasnost* is, presumably, to call in outside forces, which until now had little or no say in the Soviet political process, in order to strengthen himself and his allies in their battle against bureaucratic inertia and for a more efficient, decentralised economic system.

The members of the old leadership and the old elite have, for the most part, a vested interest in the continuance of the old system. So Mr Gorbachev needs to bring on to the stage a new elite, composed of "intellectuals" in the broad sense - educated people with an interest in new ideas, able young people qualified for greater responsibilities than the old system allowed them. They are his natural constituency, his allies in the struggle for *perestroika*.

But this new elite, or parts of it, may turn out to have an agenda of their own going beyond Mr Gorbachev's. Freedom is a notoriously difficult commodity to ration, and freedom of speech, if it means anything, has to mean freedom to say what the Government does not want to hear as well as what it does. Already there are groups and individuals in Moscow saying things which clearly go too far for some of Mr Gorbachev's politburo colleagues, though he himself has yet to give any sign of being ruffled.

But let us suppose, for a moment, that Mr Gorbachev's "revolution" stays approximately on track. How should we understand its relationship to that other revolution, 70 years ago?

Mr Gorbachev himself, in his new book, presents it as simply another stage in the same process - standing in the same relation to 1917 as 1830 and 1848 did to 1789 in France, or 1688 and 1832 to "the Cromwellian Revolution of 1649" in Britain: supplementary revolutions were needed to finish the job "before power was finally handed to a new class." (He confuses the issue by adding 1871 to the list - the Paris Commune which at the time was hailed by Marx not as a completion of the "bourgeois" revolution but as a prototype of the proletarian one. But probably the reference intended is to 1870 - the fall of the Second Empire and proclamation of the Third Republic.)

These analogies imply that the Stalin and Brezhnev eras should be seen as temporary setbacks for socialism, just as the Restoration, July Monarchy and Second Empire in France or the despotism of James II and the corrupt oligarchy of pre-Reform Bill Britain impeded the cause of "bourgeois" democracy.

Yet Stalin himself used a similar argument to justify his tyranny: the victory of the working class in 1917 was not complete and final; the class struggle was still in progress, and the further the revolution went the more intense it became, with the bourgeoisie in its death throes finding allies and agents even within the Communist party and among the Old Bolsheviks themselves.

Now, it seems, it must have been Stalin who was the unwitting agent of the bourgeoisie, helping it to slow down the march of socialism and restoring at least some aspects of the old regime. And it is Mr Gorbachev, of course, who emerges as the true heir to Lenin. Indeed, thanks to the backsliding of the last 50 or 60 years, he finds himself obliged to do much of Lenin's work over again.

Among the intellectuals who support him there are certainly some who see things like that. Two months ago in Moscow I was told, by a prominent figure in one of the influential foreign policy research institutes, that *perestroika* could succeed because it had been done before - after 1917, when a mere 250,000 Bolsheviks galvanised the entire nation and won the civil war, in spite of foreign intervention on the side of the counter-revolutionaries. Even if the number of convinced partisans of *perestroika* were similarly small, they could galvanise the nation again so long as their convictions and political skills were great enough. It would come naturally to them precisely because the model of 1917 was constantly before their eyes. Such an effort was "in the genetic programme of the Party."

Yet when I asked Mikhail Poltoranin, editor of Moskovskaya Pravda - a man with a party emblem in his lapel and a fine photograph of Lenin reading page proofs over his desk - what he was planning in the way of anniversary celebrations, he looked almost puzzled by the question. He did not seem to be able to see what 1917 had to do with Moscow's current problems. I had to suggest the above analogy to him, and he assented only grudgingly.

People were tired of anniversaries and holidays, he said. Probably the paper would just give "a history of Moscow between the past and the future - not starting from 1917 but long before." It was artificial, he suggested, to divide history into before and after: "we have to follow the history of the motherland in all its connections." What he wanted to talk about was the appalling inefficiency of the Soviet economy today and ways of doing something about it.

Perhaps significantly, Mr Poltoranin is a protege of the Moscow party leader Boris Yeltsin, whose reformist zeal has led him into open conflict with more cautious politburo colleagues and whose future is now in the balance.

Yet his remark has left me wondering how seriously to take the official claim about going back to Lenin and the original principles of 1917. Of course it is not only official. It is endorsed, in a way, by expert opinion in the west. Robert Legvold of Columbia University, for instance, warns us that what is not changing is the basic character of the Soviet political system. It would be quite illusory, he says, to suppose that Russia could ever adopt western-style liberal democracy, because the abiding Russian fear is of the centre losing control, whereas the abiding American fear is of excessive central authority. Thus Mr Gorbachev, by undoing Stalinism, is simply seeking to get back to "efficient rather than intrusive central direction", the former being identified with Leninism.

No doubt. But surely we should beware of analyses that appear to rest on an immutable definition of national character. Perhaps it is true that the US, a state only 200 years old, has been infused with liberalism from birth. But other western societies - those of Europe, notably - have arrived at liberalism only through centuries of social and political change; and most analyses see the rise of an educated elite, whose support is required by the state in its battle against feudal vested interests, as crucial to this process.

The Soviet Union today is not the Russia of 1917, when the vast majority of the population was composed of illiterate peasants. Two thirds of Soviet citizens now live in cities, and a similar proportion have been educated to secondary level or higher. The need to enlist the active involvement of the intelligentsia in the country's economic development has been clearly understood by the leadership. But it is not at all clear why a return to the brilliantly improvised synthesis of Russian authoritarian tradition and Marxist utopian promise, which served Lenin so well in 1917, should be the right recipe for doing it.

Letters to the Editor

Employee share ownership

From Mr Bryan Gould, Opposition Spokesman for Trade and Industry.

Sir, I am reconciled to the misrepresentation of my views, either deliberately or through incompetence, by my political opponents and by writers for lesser journals than your own. It is disappointing, however, that Michael Prowse (October 29) should choose to write about my views on share ownership without apparently being familiar with what I have said and written on the subject.

I have always made it clear that the form of share ownership which I favour is through employee share ownership schemes, in which the shares are collectively held and are not traded in the stock market. It would provide an additional form of social ownership - if you like, a popular socialism - and would have nothing in common with the so-called popular capitalism which recent events have shown to be so gravely flawed.

Bryan Gould,
House of Commons, SW1.

An equal and efficient society

From the General Secretary, Fabian Society.

Sir, It is bad enough having every ultra-left group claiming that the turmoil in the financial markets will force Labour to return to command socialism, without Financial Times writers joining the fray. Michael Prowse (October 29) suggests that Labour must choose between efficiency and equality, and reject the private sector as an agent of socialism.

The early socialists - quite rightly in my view - saw a more equal society as one which would also be more efficient. With ownership of capital in the hands of individuals, there were real impediments to modernisation. It required nationalisation to establish efficient industries in sectors such as electricity, gas, coal, steel and rail.

In the 1960s and 1970s, Labour continued to identify modernisation with Morrisonian nationalisation, allowing efficiency to be hijacked by the Right. In the 1980s, the Left has rediscovered the virtues of markets, and seen the wisdom of using their advantages to the benefit of working people while controlling the excesses which unregulated competition creates.

But using markets to achieve socially desirable aims does not necessarily mean greater inequality - even though monetary incentives are an essential corollary. Market-based incentives could quite conceivably merely alter who gets more, rather than increasing the "more". And in any case, the taxation system can be used as a corrective if inequality grows.

If Labour has a problem, it is not this false dichotomy between equality and efficiency. It is in demonstrating that socialist policies can increase both equality and efficiency - as they palpably did in the post-war period. Under the new leadership (which is much more than just Bryan Gould), and with the commitment to a fundamental policy review, I am convinced that it can - and will - be done.

John Willman
11 Dartmouth Street, SW1

Defining popular capitalism

From the Executive Director, Job Ownership.

Sir, Michael Prowse rarely restrains himself from taking a swipe, directly or indirectly, at "popular capitalism". His latest offering (A crisis for Gouldism, October 29) is a fairly typical specimen. "It will be much harder to preach the virtues of popular capitalism," he writes "in the wake of the BP affair."

But this contention assumes a definition of "popular capitalism" which will scarcely pass muster. For what the BP debacle torpedoes is not "popular capitalism" in any of its serious, substantial and sustainable forms. The only form of it that has been discredited is the almost ludicrously marginal one of sweet-talking the public (Sid and Doris?) into making penny packet capital gains by stagging low priced privatisation issues during a bull market. But if that is the "popular capitalism" which Michael Prowse has in mind, he has perpetrated (whether innocently or otherwise) one of a straw man on his opponents' behalf and then, surprise surprise, its demolition.

Serious, substantial and sustainable forms of "popular capitalism" are almost bound to be embodied in employee ownership. For in all, or almost all, other forms both the voice and the stake which (ordinary) people enjoy as "popular capitalists" can scarcely be other than marginal. But it would be absurd to argue that employee ownership of the serious, substantial and sustainable kind has been significantly undermined by the recent behaviour of the stock market. For example, the 30,000 odd partners of the John Lewis Partnership, in their capacity as employee owners of that business - and thus in their capacity as popular capitalists - can afford, unlike the underwriters, to take a rather relaxed view of the BP affair. Of course, if, because of the collapse of stock market prices, the level of national economic activity declines then their 1988 partners' bonuses may be smaller than they would otherwise have been. But in that respect they will be no worse off than the rest of us.

John Lewis, is no doubt, something of a special case among employee-owned firms by virtue of the fact that the business is owned by the partners not as individuals but through an employee trust. But where, as for example in the Baxi Partnership, employees also own shares as individuals, it is only a convention of the share valuation department of the Inland Revenue - and not the necessity of iron laws - which currently requires that the value of these shares should be partly linked to price earnings ratios on the stock market. In many ways it would be both more logical and more sensible if they were valued simply on the basis of company performance. Should that reform be achieved, then Baxi's partners will be as well placed as their John Lewis conterparts to shrug off sudden fluctuations in the prices of publicly traded shares.

What finally seems quite unacceptable about the Michael Prowse approach is the implicit suggestion that employees, the public, Bryan Gould and others must choose between conventional capitalism on the one hand and old style (state ownership) socialism on the other. Only knaves and fools he implies, will bother themselves to look for something - say, a genuine and sustainable "popular capitalism" embodied in employee ownership - which is potentially an improvement on both. Such an approach can be sustained only a dogma. It seems to fly in the face of the whole history of the gradual and piecemeal improvement of our institutions.

Robert Oakeshott,
9 Poland Street, W1.

International shares

From Mr John M Hennessy

Sir, Closer analysis of the performance of international shares shows that the off the cuff reactions of some investment analysts are mistaken. International equities have performed at least as well in the past two weeks as the rest of the UK market.

For example, of the 10 companies with major ADR programmes named in an article in the Financial Times (October 30), five have outperformed the FT-SE 100 index. These are Beecham, BP, Glaxo, Hanson Trust and Shell.

A total of 33 companies in the FT-SE 100 index have either made an international share offering or an international equity linked issue in the past 12 months, or are among the 10 companies with the largest ADR programmes. Of these companies, 16 have outperformed the FT-SE 100 index over the past two weeks.

The factors underlying the relative performance of individual shares over the past two weeks have much more to do with company-specific news, preference for individual sectors, and perceived dollar exposure; than who or where the shareholders are.

For example, many of the high street retailers, who are performing relatively strongly, have recently taken active steps to increase their international ownership. Argyll, ASDA, Burton, Dee, Dixons, Storehouse and Tesco have all made equity linked offerings in the past 12 months, all sold in the international market. During the last two tumultous weeks there has been virtually no selling of convertible bonds by continental investors. On the contrary, with this loyal investor base, the market in equity linked issues by UK companies has been one of the best performing equity sectors in the world over that period.

It seems to us that the arguments in favour of UK companies making their investor bases more international are as strong today as they were two weeks ago.

J M Hennessy,
Credit Suisse First Boston,
2A Great Titchfield Street, W10

Motorway management

From Mr John Weetman

Sir, Michael Woodward (letters, October 30) concludes that the bulk of the delays on the M25 are the result of bad management. In doing this he is assuming that the objective is to ensure the safe and free flow of traffic on this ring road and the feeder motorways. I am sure that most users of these routes will agree that the managers of our motorways must be working towards some other objective, the alternative is incompetence beyond belief.

I am attempting to discover the laid-down objective of motorway management and have picked up some clues over the last couple of weeks. These are the miles of advanced warning signs preceding a non-existent obstruction and vice-versa, the announcements on the radio from police traffic headquarters that the section where you have been stationary for over an hour is free-flowing without trouble and the frequent closures of sections due to toxic chemical spillages which are never witnessed by the public or press.

Perhaps one of your readers has already deduced the real objective of our motorway managers, or maybe an insider will disclose some information.

John Weetman,
43 High Street,
Harrold, Bedfordshire.

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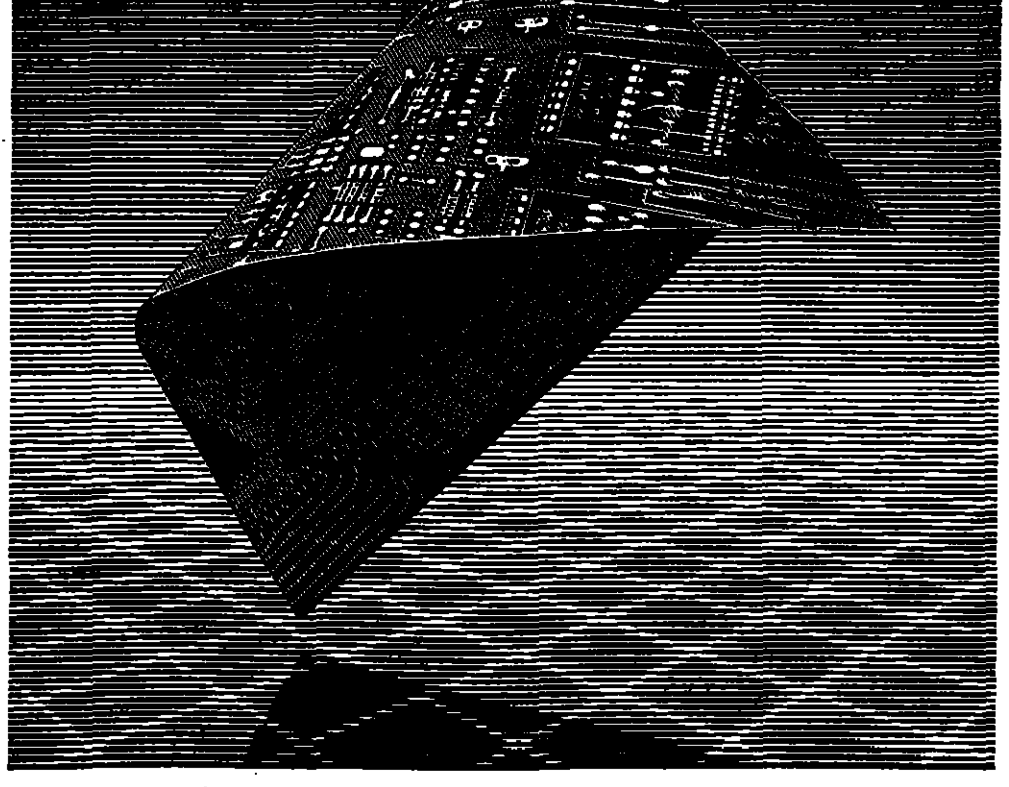

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FINANCIAL TIMES
Tuesday November 3 1987

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Poehl defends monetary and interest rates stance

BY ANDREW FISHER IN FRANKFURT

MR KARL OTTO POEHL, president of the West German Bundesbank, yesterday defended Bonn's monetary and interest rate policies against strong foreign criticism. "We are not neurotic about inflation," he said, in a speech due in New York last night.

Repeating West Germany's commitment to February's Paris agreement on stable currency levels, he said: "I think it is justified to say the Louvre accord is still alive - in spite of the financial disturbances characterising the last few days and weeks. Until the agreement, he noted, the US had been reluctant to help stabilise the dollar.

Mr Poehl said the central bank had contributed through its monetary policy to the working of the Louvre accord. "Monetary policy in West Germany is anything but restrictive," he said. Targets had been overshot in 1986 and again this year.

He believed there was no acute inflation risk in West Germany, and said it was important to follow a policy which dampened price expectations. "Experience has taught us not to wait until prices go up, because then it's mostly too late."

In an implied criticism of Mr James Baker, US Treasury Secretary, Mr Poehl said this year's rise in interest rates began in the US, not in West Germany or Japan. Mr Baker last month attacked the rise in West German rates on securities repurchase agreements (a means of commercial bank refinancing).

These rates were still lower than at the start of the year, Mr Poehl said yesterday. "These tiny, market-oriented consequences of a strong demand for central bank money have sometimes generated comments which were anything but justified and helpful."

West Germany was not interested in higher interest rates, either in West Germany or in the US, Mr Poehl insisted. "We most certainly do not want them rising in the bond market."

He quoted the International Monetary Fund's latest World Economic Outlook in defence of using monetary policy to contain inflationary expectations. "I am convinced that sustained and stable exchange rates are in the final analysis only possible against a background of widespread price stability," said Mr Poehl.

Arguing that the chances for stabler currency rates were better than some pessimists thought, he said huge trade imbalances and strong policy divergences still existed. Thus, he added: "Overambitious commitments to peg certain exchange rate levels or target zones run the risk not only of clashing with domestic monetary objectives, but of collapsing when the markets test them."

Mr Poehl said the dollar's more stable performance since February had helped the West German economy recover from its winter sluggishness. The planned tax cuts would give a further stimulus. But the falling population was a hindrance to future growth. Other obstacles, such as high subsidies and unnecessary regulations, needed political will to be overcome.

Karl Otto Poehl: "not neurotic about inflation"

David Marsh in Bonn examines forecasts for the West German economy

Fuelling an economic controversy

SLUGGISH economic growth in West Germany next year is likely to lead to only a small reduction in the massive current account surplus, the country's five leading economics research institutes said yesterday.

The institutes' latest biannual analysis of the economy urged the Government to spur economic growth by bringing forward to 1989 its controversial programme of tax cuts scheduled for 1990.

The call, which adds to international pressure on Bonn to relax economic policies, was quickly dismissed by Mr Martin Bangemann, the Economic Minister.

In a joint statement with Mr Gerhard Stoltenberg, the Finance Minister, Mr Bangemann said bringing forward the planned tax cuts of a net DM20bn ($6.7bn) would "endanger the positive effects on growth" of measures already taken to reduce public sector borrowing.

Forecast growth of gross national product of 2 per cent in 1988 would represent a slight improvement on the 1.75 per cent expected this year.

The institutes' spokesman, Mr Horst Seidler of the Berlin-based Deutsches Institut fuer Wirtschaftsforschung (DIW), made clear yesterday that current turbulence on financial markets added to risks overhanging the export-oreintated economy.

WEST GERMAN ECONOMY - 1987
How the economic institutes' forecasts grew more gloomy

	October 1986	November 1987
GNP	+3%	+1.75%
Real private consumption	+4%	+3%
Real capital investment	+5%	+1%
Current account surplus	DM60bn	DM75bn
Overall public sector deficit	DM16bn	DM38bn
Unemployment	2.12m	2.23m
Consumer prices	+1.5%	+0.5%

But the institutes are sticking to the basic, somewhat optimistic, assumptions that the D-Mark will remain stable in real terms on the foreign exchanges and that the US economy will continue to grow by around 2.5 per cent next year.

The report, from the Kiel, Hamburg, Essen, Berlin and Munich economic institutes, was seized on yesterday by the Opposition Social Democratic Party as proof that government policies were not working.

The institutes, in a marked turn towards pessimism compared with their autumn report a year ago, forecast that the average number out of work next year would climb to 2.27m from 2.23m both last year and this.

The current account surplus is likely to fall only slowly to DM65bn in 1988 from DM75bn this year and DM80bn last year.

Capital investment, one of the main weak spots of the economy, is seen as rising by only 2 per cent in 1988, after 1 per cent this year, depressed by the subdued state of the construction industry.

Consumer prices are forecast to rise by 2 per cent in 1988 after 0.5 per cent in 1987. All the institutes, except the more Keynesian-orientated DIW, point to the danger that the current rapid rise in the West German money supply could store up inflation for the future, while Bundesbank president, Mr Karl Otto Poehl, said in New York yesterday, he believed there was no acute inflationary risk.

The institutes' report offers substantial evidence backing up the view that the industrialised world's third largest economy is living - as ex-Chancellor Helmut Schmidt put it last week - "below its means."

One of the main reasons for this year's weakening of growth is the decline in both investment and consumer spending compared with optimistic forecasts only a year ago, according to the five institutes.

While the institutes are recommending greater stimulus through bringing forward tax cuts, their study also provides indications on why similar calls from both home and abroad are unlikely to be heeded by either the Government or the Bundesbank, the West German central bank.

Both budgetary policy, measured by the overall public sector deficit, and the monetary stance, measured by the Bundesbank's money stock yardstick, are on an expansionary course.

By pointing to the inflationary dangers of the expanding money supply, as well as underlining that growth in the economy has picked up since the lull last winter, the economic institutes have handed the Bonn Government two useful arguments to stick to its current economic course.

In an exercise which has become a classic example of West Germany's consensus-based methods of steering the economy, the institutes have produced joint spring and autumn reports since 1951. Yesterday's was the 75th joint study.

The coded language of the report masks, yet does not hide completely, the markedly differing views between the institutes on the underlying way in which the economy behaves and reacts. The monetarist-orientated analysis of the Kiel and Hamburg institutes, for instance, is at odds with the line taken by the DIW, which believes the economy needs a Keynesian-style stimulus to bring down unemployment.

A key assumption of the report - in spite of last week's unrest on the currency markets - is that the real (inflation-adjusted) value of the D-Mark will remain constant over the next year. However, if the D-Mark comes under stronger upward pressure - and especially if the US shows any signs of entering a recession - then the resultant weakening of exporters' confidence is likely to dampen further already subdued West German growth prospects for 1988.

Gerhard Stoltenberg: "endangering economic growth"

Orion Royal Bank withdraws from London bond markets

BY ALEXANDER NICOLL, EUROMARKETS EDITOR, IN LONDON

ORION ROYAL BANK, the London-based investment banking arm of the Royal Bank of Canada, yesterday announced its withdrawal from market-making in UK government bonds and Eurobonds, with the loss of up to 150 jobs.

Mr John Sanders, Orion's chairman, said that neither business offered the prospect of an acceptable return within a reasonable time. The decision had no connection with the turmoil in financial markets of the past two weeks, but was based on the bank's view of long-term trends.

Orion is the latest in a string of international securities houses to announce job cuts in London amid what is becoming a shake-out of players in the overcrowded international capital markets.

Those losing their jobs will include four or five directors, Mr Sanders said. The Royal Bank group's total staff in London number 1,200.

Orion was one of 27 market makers in the US-style gilt-edged market introduced last year with London's Big Bang reforms, and is the second to pull out since Lloyds Bank made the same decision in June. Orion had won only a 1 to 2 per cent share of a market which is generally thought to be not of a sufficient size to support so many dealers.

Other houses which have been similarly unsuccessful are also expected to follow, particularly as Japanese firms plan to add to the intense competition.

Daiwa, Japan's second largest securities house, said yesterday that it was applying to the Bank of England to be a market maker, adding its name to that of Nomura, the largest, which applied last week.

Orion's move was seen as more significant for the $650bn Eurobond market, in which it has been an important player for many years.

The market has seen a shrinking of new issue business from last year's record levels. It has also run into criticism because its liquidity has tended to dry up in difficult times, prompting investors to plump instead for more active government bond markets. This has left exposed those Eurobond houses which do not also have strong government bond operations.

ABF may drop £767m Berisford bid

BY CLAY HARRIS IN LONDON

ASSOCIATED British Foods, the milling and baking group, is now unlikely to proceed with its all-cash bid for S&W Berisford which values the diversified sugar producer at £767m ($1.33bn).

ABF said yesterday it needed to know more about the effects on Berisford of turmoil in world markets before it could recommend that shareholders approve the takeover. Today's extraordinary general meeting will be adjourned until later in the month.

The bid, however, could be withdrawn as early as Thursday, the first closing date, if ABF fails to receive 90 per cent acceptances. That condition is usually waived by bidders who want to proceed with an offer, but in this case, it would give ABF an early escape route.

ABF decided to adjourn today's meeting after George Weston Holdings, the Canadian-based company which controls 63 per cent of its shares, said it could not be certain of supporting the bid. The two companies share four directors, including Mr Garry Weston, ABF chairman, all of whom took part in both decisions.

Berisford shares, which had been supported during the recent crash by ABF's 400p cash offer, collapsed after the announcement. They dropped to 298p, only 5p above the price ABF paid for its 23.7 per cent stake in May, before recovering to close at 314p, a 57p fall on the day.

To explain the moves by George Weston Holdings and ABF, Mr Weston yesterday cited Berisford's failure last week to recommend either acceptance or rejection of the bid or to produce a profits estimate for the financial year which ended September 30.

"The non-defence document which came out on Friday did not cover any of its subsidiaries except for general feelings of excitement about British Sugar," he said. British Sugar, the beet refiner which dominates the UK sugar market, is the only part of Berisford which ABF clearly wants to retain.

ABF results, Page 34

Li Peng anxious to keep the record straight

Continued from Page 1

er. He once made a point of denying a rumour that he and Mr Gorbachev were friends during his student days, realising that the rumour could have damaged his leadership chances by sending signals to the West of a major shift in Chinese policy.

Until yesterday, Mr Li, a vice-premier, deferred to Yao Yilin, the senior vice-premier, who was also elevated to the standing committee. Mr Yao and Mr Li are the two leaders that most diplomats suspect were chosen by departing conservative officials, though the pair are best described as "reformers with reservations."

Yao Yilin, 71, is the minister in charge of the State Planning Commission, and so has had a major role in fashioning economic policy. But it is understood that Zhao Ziyang, the new party chief, has occasionally become frustrated by the lack of vision at the Commission and has encouraged the development of the Commission for Economic Restructuring.

Nonetheless, Mr Yao has a good sense of humour, and in his public appearances has shown that his mind is at least flexible if not open. His official biography, released yesterday, claims that he has been "linked to many important economic activities in China" and "is important to the deep-going reform of the economic structure."

The most mysterious of the newly installed standing committee members is Qiao Shi, who apparently rises before six each morning, jogs for an hour, is a non-smoker and non-drinker, but has spent much of his political life in the backroom, dealing with internal party matters.

He is also a vice-premier, and the promotion of three vice-premiers to the most senior of the party's organs shows that plans to separate party from Government will obviously be difficult to implement - if they are ever seriously implemented. Mr Qiao has been responsible for handling internal party security and discipline and has been dubbed the "super-cop".

In January 1986 he headed a special group to investigate corruption, though most diplomats suggest that he was the choice of reformers, as he would not have been over-zealous in his evaluation of reforms' negative side-effects. Since mid-1985, he has headed the party's Organisation Department, and, at 63, is officially referred to as part of the "third generation" of leaders.

The rise of Hu Qili to the standing committee is a symbol of the surge of reformist influence. Mr Hu, long thought to be destined for success, seemed in serious political trouble when his mentor, Hu Yaobang, was forced to resign early this year as general-secretary.

Mr Hu said said last year that the "personal things are all very small things," yet it is clear that Hu Yaobang's personal support for the one time leader of the Communist youth league boss was crucial in his rapid rise through the ranks.

Mr Hu, 58, made his name as mayor of Tianjin and, coincidentally, the present mayor of Tianjin, Li Ruihuan, was yesterday appointed to the Politburo. Hu Qili is confident with foreign visitors, and has delivered speeches in English. Sympathetic Chinese say he is a true liberal, and has a record of supporting freedom in the arts, while the less kind cast serious doubt upon his role in the fall of Hu Yaobang.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	21	70	Dubrovnik	C	15	59	Malta	C	25	77	Rhodes	S	7	45
Algiers	S	31	88	Edinburgh	S	13	55	Manchester	C	15	59	Rio de J'o			
Amsterdam	F	13	55	Faro	C	19	66	Manila	S	33	91	Rome	F	21	70
Athens	S	16	61	Florence	C	17	63	Melbourne	F	37	99	Salzburg	R	10	50
Bahrain	S	30	86	Frankfurt	C	13	55	Mexico City	S	25	77	San Francisco	F	13	55
Bangkok				Funchal	S	21	70	Miami	C	24	75	Seoul	R	10	50
Barcelona	F	19	66	Geneva	C	12	54	Milan	C	14	57	Singapore	F	32	90
Beirut				Gibraltar	C	19	66	Montreal	S	-1	30	Stockholm	C	2	36
Belfast	C	11	52	Glasgow	S	13	55	Moscow	S	3	37	Strasbourg	F	13	55
Belgrade	C	6	43	Guernsey	S	13	55	Munich	R	9	48	Sydney	S	30	86
Berlin	C	9	48	Helsinki	F	7	45	Nairobi	F	28	82	Taipei			
Biarritz	S	19	66	H. Kong	F	29	84	Naples	F	20	68	Tangier	C	21	70
Bombay	S	34	93	Innsbruck	C	11	52	Nassau	S	30	86	Tel Aviv	C	21	70
Bordeaux	S	16	61	Inverness	C	12	54	New Delhi	S	27	81	Tenerife	F	24	75
Brussels	C	11	52	Islamabad				New York	S	9	48	Tokyo	C	14	57
Budapest	C	5	41	Istanbul	F	11	52	Nice	C	18	64	Toronto	C	5	41
B. Aires				Jakarta	C	34	93	Nicosia	C	23	73	Tunis	S	25	77
Cairo	S	26	79	Jersey	F	14	57	Oporto	F	21	70	Valencia	C	[illegible]	
Cape Town	S	20	68	Jo'burg	F	24	75	Oslo	C	3	37	Venice	S	16	61
Caracas				Lima	R	21	71	Paris	C	11	52	Vienna	C	4	39
Casablanca	R	17	63	Lisbon	F	16	61	Peking	S	12	54	Warsaw	C	6	43
Chicago	C	14	57	London	C	11	52	Prague	R	8	46	Washington	F	9	48
Cologne	C	12	54	Los Angeles	C	17	63	Reykjavik	C	6	43	Zurich	F	13	55
Copenhagen	R	7	45	Luxembourg	C	11	52								
Corfu	F	18	64	Madrid	S	19	66								
Dallas	F	18	64	Majorca	F	24	75								
Dublin	C	11	52	Malaga	C	20	68								

Readings at mid-day yesterday

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Gorbachev denounces bureaucracy

Continued from Page 1

The next two or three years would be decisive for the success of political and economic perestroika (restructuring), he said, and added that there was no way to avoid a clash between old and new.

In what was evidently an oblique sideswipe at Mr Boris Yeltsin, the Moscow city leader and a non-voting member of the Politburo, who threatened to resign because of frustration at resistance to reform, Mr Gorbachev warned against "succumbing to the pressure of the overly zealous and impatient".

This criticism was balanced, however, by reference to conservative resistance to perestroika, which he accused of covertly using any minor setback to discredit the entire undertaking.

"The consequences of marking time, of stagnation and indifference have a much greater impact and cost a lot more than the side effects that arise temporarily."

Mr Gorbachev said that perestroika had reached the end of its first phase, which was to work out what was wrong and persuade people change was necessary.

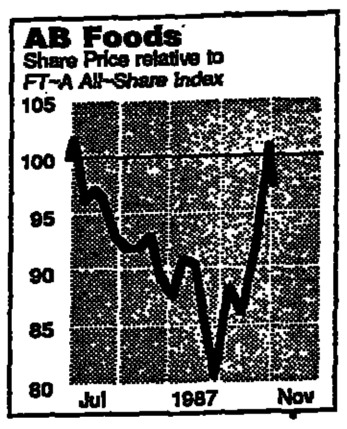
On foreign policy, he proposed no new initiative but made plain that he expected a remodelled Soviet society to be far more competitive with the West in providing an alternative agenda for how society should be run.

Mr Gorbachev said that, although he expected an agreement to be signed on Intermediate Nuclear Forces, little had been achieved in nuclear disarmament so far. He stressed that he believed antipathy towards the Soviet Union had eased around the world, allowing it to make effective initiatives.

THE LEX COLUMN

ABF loses its sweet tooth

A pattern seems to be emerging in the dollar's daily movements. Weakness in the Far East is followed by some stability in Europe, and a little central bank support. But by late afternoon in Europe - when New York is wide awake - the downward pressure resumes. And that is all to the good if it is the American politicians who need to be reminded of the dollar's parlous state. As one economist put it, it has taken a stockmarket crash to get the politicians talking - will it need a dollar crash before they come to agreement?



ABF/Berisford

In the through-the-looking-glass world of the Associated British Foods' bid for S & W Berisford, the latter was yesterday deploring action by the former which brought its continued independence one step closer. Only the chance that ABF's 400p a share cash bid might still be open kept Berisford's share price from falling further than the 314p at which it closed, down 57p on the day. Berisford's shareholders might be somewhat peeved that their board did not accept 400p in cash, especially those who bought above that price in the hopes of a higher bid before the stockmarket "adjustment".

ABF is craftily keeping its options open until the last possible moment with the postponement of the special meeting to consider the bid. While it need not withdraw its bid until the meeting, which might be held as late as November 26, it could still go ahead with the offer if shareholders vote in favour as TSB's did yesterday in the Hill Samuel deal. At least ABF's meeting is unlikely to last for nearly seven hours.

It is clear from the delay that ABF - or its majority shareholder at any rate - is decidedly nervous about what might crawl out of the non-British Sugar parts of Berisford should the bid succeed, given the change in market conditions. And while British Sugar might still be worth £500m plus a bid premium even in today's market, the rest may well not make up the difference to the £767m offer.

As a result Berisford shareholders are now without any guidance from either side as to what to do. Their company's defence document contained little solid matter, and no recommendation. Nor was there much hope that ammunition was being held back for a later document, given the likelihood until yesterday that the deal would go through this week. The bidder has, rightly, put its own shareholders' interests above those of its target. For once a reference to the Monopolies Commission might be welcomed by nearly all parties.

Orion Royal Bank

Orion Royal Bank was a relatively small player in both the Eurobond and the UK Government securities markets, and it is not the first, and will certainly not be the last firm to head for the exit. Nevertheless, its decision to pull out of these markets is important because over the years Orion Royal Bank has emerged as a useful barometer for anyone wanting to monitor the latest climatic conditions in the international capital markets.

It started life as a consortium bank (remember them?) owned by a bunch of blue-chip commercial banks which wanted to make medium-term loans in the fast growing Eurodollar market. But its owners soon learned the tricks of medium-term lending and Orion lost its momentum. After several changes of management and direction, one of its shareholders, the Royal Bank of Canada, decided to take it over and build it up into a London-based international merchant bank. The combination of the financial muscle of a big commercial bank and the skills of London's merchant bankers was a formula which several international banks have tried to apply to the international capital markets. But as Orion Royal Bank demonstrated yesterday, very few commercial banks have found the solution.

Its parent may be Canada's biggest commercial bank, but in common with many of the new entrants to the UK gilts market, it does not have the scale of business to carry it through the rough times. Its exit from the gilts market was not surprising. The same cannot be said for its departure from the Eurobond market where it has been a successful niche player. In a world where there has been a flight to quality and an emphasis on liquidity, the Eurobond market is an obvious loser. Given the huge variety of small issues and exotic names, the Eurobond market can never hope to offer the same degree of liquidity as the big domestic bond markets.

Elders

The withdrawal by Elders of its complex scheme to float off its subsidiaries is further evidence of the pressure now facing the more ambitious Australian conglomerates. The change of plan should cause no immediate damage, since the proceeds were to be distributed to Elders' shareholders; but the scheme was plainly aimed at equity fund raising in the longer term. The postponement of the Courage pubs flotation, though expected, is a more immediate blow. Like the 19.9 per cent stake in BHP, the Courage assets are now a heavy drag on group finances, yielding much less than the notional cost of funding.

How serious this is cannot easily be deduced from Elders' accounts, which have a long-standing reputation for complexity. The latest balance sheet shows borrowings of close on A$5bn, compared to shareholders' funds of A$3.2bn. But on the asset side, much depends on what the stock market collapse has done to investments valued at A$2.7bn. Elders said yesterday that rights money and bond conversions had now pushed shareholders' funds to A$4.5bn, and that the BHP stake was still worth A$240m more than book value. But the debt portfolio, which embraces a wide range of instruments and currencies ranging from the Dutch Guilder to the New Zealand dollar, is already starting to look old-fashioned in these post-boom days.

Large parts of the group's business, brewing in particular, are typically defensive in recessionary times, and are strongly cash positive. At A$3.15, the shares also yield 6 per cent. But at the end of it all, the company looks unduly hard to understand. In falling markets, the investor has no incentive to study complexity. He can always put his money in the bank.

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SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Tuesday November 3 1987

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Bilzerian launches $1bn takeover bid for Singer

BY RODERICK ORAM IN NEW YORK

SINGER, the US defence electronics group and former sewing machine maker, has received a $50-a-share takeover offer from a group of investors led by Mr Paul Bilzerian, a Florida corporate raider.

It is the second-largest tender offer, valued at just over $1bn, since stock prices crashed two weeks ago.

News late last week that the investment group had acquired 9.9 per cent of Singer sent its stock price soaring by almost $12. It gained a further $3¼ to $47⅞ in heavy early trading yesterday.

Singer attracted the market's attention in August when Mesa Limited Partnership, the main company of Mr T. Boone Pickens, the Texas corporate raider, said it had a 4.4 per cent stake and was seeking regulatory approval to buy more. Mesa, which has become heavily-dependent on investment income as oil and gas profits have collapsed, has made no subsequent announcements concerning Singer.

Mr Bilzerian, who has yet to pull off a substantial raid, said last week that he would probably sell off Singer's defence electronics operations which accounted for 83 per cent of last year's sales.

Colleagues involved in his bid said he would probably retain only the divisions making portable electric tools and gas meters which generated 17 per cent of 1986 sales.

The list of companies which have spurned Mr Bilzerian's overtures include Cluett Peabody, Pay 'N Pak Stores, Hammermill Paper and Allied Stores. Shearson Lehman Brothers is supplying bridge finance and advice for his raid on Singer.

Singer sewing machines, the essence of its identity since it was founded in 1851, were spun off into a new company called SSMC in October 1986. Sewing machine manufacture had limped through years of poor performance despite several restructuring efforts.

Analysts are forecasting a rapid rise in profits from defence and civilian aerospace electronics as new products move from development into production in the coming year.

Until now, its profit margins on defence electronics have lagged behind its competitors.

Singer suffered a setback last month with the sudden death of Mr Joseph Flavin, 58.

As chief executive he had led the company's comprehensive restructuring. He was succeeded by Mr William Schmied who had joined the company in 1969 to run its aerospace electronics operations which then accounted for only 12 per cent of sales.

Bronfmans back Wood Gundy to sub-underwrite BP issue

BY DAVID OWEN IN TORONTO

EDPER, the Canadian financial and resource-based conglomerate, has stepped in to help Wood Gundy, the blue-chip investment dealer, over the problems arising from its heavy involvement in the BP privatisation issue.

Edper, controlled by the Toronto branch of Canada's Bronfman family, has agreed to sub-underwrite Wood Gundy's 52.5m-share chunk of the deal.

Under the agreement, the Great Lakes Group, the Edper-controlled financial services company, is to lend Wood Gundy the money to pay the UK Government for the shares it has committed to take.

In return, Great Lakes will charge an interest rate above prime and will have the right to share in any profits generated from the future sale of BP shares. Any capital losses, however, will remain Wood Gundy's responsibility.

"We arranged the financing necessary to handle our entire liability in the event that the BP shares were worth zero," said Mr Ted Medland, Wood Gundy chairman and chief executive. "Clearly, the need for it is now not that great."

Without Edper's help, Wood Gundy was facing a capital loss of some £18m ($30.6m) on the shares which it agreed to buy. BP partly-paid shares closed at 85p in London last week, compared with the £1.20 that investors had agreed to pay for the first of their three instalments. The total cost of each BP share will be £3.30.

The Wood Gundy-Edper arrangement has prompted speculation that the Bronfmans might consider taking an equity stake in the dealer should the US bank, First Chicago, have second thoughts about its previously-announced plan to buy a 35 per cent stake for C$270m (US$206m).

Mr William McDonough, the bank's vice chairman, last week expressed concern at "the effects of these developments in the capital markets" and said First Chicago planned to meet Wood Gundy management prior to proceeding with its investment.

Mr Medland, however, played down such speculation, saying that "First Chicago remain interested in the company" and stressing that "we have signed a definitive agreement...We have no appointment to meet First Chicago at all."

The remaining 50 per cent of the 105m-share Canadian portion of the BP issue was split between fellow Bay Street investment dealers, Dominion Securities and McLeod Young Weir.

Sumitomo Life buys stake in Kleinwort

By David Lascelles in London

SUMITOMO LIFE, one of the largest Japanese life insurance companies, is to take a stake of up to 2 per cent in Kleinwort Benson, one of the leading UK merchant banks.

Kleinwort, whose shares have been buoyed by takeover speculation recently, said it welcomed the purchase.

"We have had business relations with them for a number of years, and this is a friendly thing," said a spokesman.

Sumitomo is believed to be one of several institutions who have agreed to take up unused rights in Kleinwort's recent £144m ($247m) rights issue. The rights belonged to members of Kleinwort's founding families who did not wish to maintain their stakes at the prior level. The rights issue, which closes on Thursday, will reduce the core family shareholding from 33 per cent to 25 per cent.

Kleinwort has been keen to ensure that the new shares found their way into friendly hands in order to avoid the kind of predatory attacks which have been launched on other UK merchant banks this year. Kleinwort shares closed last night at 447p, down 3p. The rights issue is being made at 450p.

A Sumitomo Life official in Tokyo was quoted yesterday as saying that the precise timing of the purchase would depend on market conditions, but he expected the total price to be in the range of Y2bn ($1.4m). He said his company was monitoring the movement in Kleinwort's share price carefully.

The purchase is the latest of several major investments made by Japanese companies in US and European financial institutions. Nippon Life, the largest Japanese life insurer, bought a 13 per cent stake in Shearson Lehman, the US investment bank in March.

Anatole Kaletsky on bargaining that could lead to the biggest non-oil takeover in the US

Henley in talks on Santa Fe bid

TALKS which could lead to the biggest non-oil takeover in US history were announced yesterday between Santa Fe Southern Pacific, the big US transport group which is under orders from anti-trust authorities to split up its core railroad holdings, and Henley Group, the California-based conglomerate.

The two companies say the bargaining could lead to an offer for Santa Fe worth $63 a share or $9.8bn. Although Henley first acquired a strategic stake of 5 per cent in Santa Fe almost a year ago, it was Santa Fe's management which approached Henley last week proposing a sale of their company for $63 a share in cash.

Henley, which last week said it had taken advantage of the heavy falls on Wall Street to boost its holding in Santa Fe to 14.1 per cent, responded with a counter-offer of $63 in securities and cash.

A takeover of Santa Fe by Henley, created last year as a vehicle for the dealmaking talents of Mr Michael Dingman, its chairman, would require ambitious amounts of creative financing.

Henley's war-chest is believed to be only around $1bn, suggesting that nearly $9bn may need to be borrowed or otherwise raised on the market for a Henley bid to succeed.

Wall Street arbitrageurs seemed to remain sceptical about the deal, boosting Santa Fe's share price by only $4 to $54¼, some 14 per cent below the price being discussed by the two companies and 15 per cent below the peak reached by Santa Fe in the summer, before the market slump.

If Mr Dingman did succeed in buying Santa Fe, he would still have to proceed with the divestiture of its Southern Pacific Railroad division. Prior to the market crash, a consortium of unions and management had offered $750m in cash plus about $800m in debt assumption for Southern Pacific.

Mr Dingman would presumably also seek to sell Santa Fe's valuable real estate holdings. The jewel in the company's crown is a 208-acre property in the Mission district, one mile from San Francisco's financial heart.

This holding is known to have attracted the interest of Olympia & York, the large Canadian property developer which also owns a large strategic stake in Santa Fe. A big sale of property to Japanese investors would be another possibility for Mr Dingman.

His company was created last year by Allied-Signal to spin off various businesses the parent company did not wish to own. It recorded a net loss of $426m in 1986 and is expected to show another loss this year.

Despite the unattractive nature of its component businesses, Henley raised $1.2bn in cash last year in an extraordinarily successful public offering which set new records for Wall Street – Mr Dingman has initially asked investors for a mere $300m, but such was the clamour to buy shares in Henley that the size of the offering was increased four-fold.

The money raised was explicitly earmarked for unspecified bids and deals which Mr Dingman might come up with from time to time.

The Santa Fe deal, if it went ahead, would easily overshadow the biggest takeover ever completed outside the energy sector – the $6bn acquisition of RCA by General Electric which was agreed in 1985.

It is also far bigger than the two recent hostile bids which might have set new records for US financial markets, the $6.4bn bid for Dayton Hudson by Dart Group and the rival $6.3bn offer for Newmont Mining by Ivanhoe Partners, the private investment group led by Mr T. Boone Pickens, the Texas corporate raider.

Small TSB shareholders rebel against Hill Samuel bid terms

BY NICK BUNKER IN LONDON

SMALL shareholders in TSB, the UK banking group, yesterday rebelled publicly against its £777m ($1.33bn) bid for Hill Samuel, the British merchant bank, at a furious six-and-a-half hour extraordinary general meeting in London.

TSB's board won approval for the bid by a huge margin, but shaken senior executives admitted afterwards that they were staggered by the anger displayed by some small shareholders.

Mr Walter Frederick Geake, a 75-year-old retired London tax-driver who emerged early in the meeting as one of the board's most vociferous critics, accused it of "dereliction of duty."

In words echoed by about 20 speakers from the floor, he said the board had no right "to throw away needlessly shareholders' cash" by proceeding with the bid at 810p per share when last month's stock market collapse had halved the price of merchant bank shares.

Another individual shareholder, Mr Peter Anderson, a credit controller from Isleworth, west London, told the board: "You will be paying £200m more for the shares of Hill Samuel than you need to."

He later ripped up a voting form in front of Sir John Read, TSB's chairman. He told reporters he had come because he thought "wider share ownership was a good idea" but was disgusted with what he saw as the board's unwillingness to listen to views from the floor.

While only perhaps a few dozen of the 480 shareholders present at the meeting actually spoke, there was applause at one point for calls for a vote of no confidence in Sir John. He said later that he had expected "nothing like this at all."

The meeting, held in the Methodist Central Hall, Westminster, began promptly at 11am. Mr Peter Rowland, TSB's group company secretary, was able to announce only at 5.35pm that shareholders had voted in favour of going ahead with the acquisition at 810p a share. The final poll figures showed 117m votes in favour of the bid, and only 12.32m votes against.

Sir John insisted throughout the meeting and afterwards that shareholders who attended the meeting were only a tiny minority of the 426,000 names on the share register. They could not be allowed to override the will of the majority, who had voted by proxy to agree to the bid.

He faced repeated accusations from the floor, however, that he was using his 290m proxy votes to "steam-roller" the issue.

Montedison proposes talks with ENI

By Alan Friedman in Milan

MR MARIO SCHIMBERNI, chairman of Italy's Montedison chemicals group, has written to the president of the ENI state holding group in Rome with a proposal to pool the two group's chemicals activities.

The letter is the latest move in a lengthy saga of talks between the private-sector Montedison and ENI over possible ventures.

Montedison said it could not comment on the letter but stressed that aside from any ventures its offer to acquire Enichem, the state chemicals group, remained "valid."

Professor Franco Reviglio, ENI president, said Enichem was not for sale but joint ventures were still a possibility.

Industry observers believe the Montedison-ENI talks have now reached an impasse.

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Earnings per share (before exceptional item)	7.8p	6.4p	+ 22%
Earnings per share	8.3p	6.4p	+ 30%
Dividend per share	2.64p	2.3p	+ 15%

(Unaudited)

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MORGAN STANLEY INTERNATIONAL

November, 1987

THE FAMOUS GROUSE

Quality in an age of change.

BFCE aims to widen ownership of its shares

By George Graham in Paris

BANQUE Francaise du Commerce Exterieur (BFCE), the French state-controlled bank, hopes to open its capital to outside investors, including customers and employees, as early as next year.

The bank, which has expanded its activities beyond its traditional trade finance role to become France's 18th largest bank, has already changed its statutes to allow the recently privatised Societe Generale to remain a shareholder.

Three other BFCE shareholders - Banque Nationale de Paris, Credit Lyonnais and Credit Agricole - are eventually also to be privatised, and future statutes will allow any bank or financial company to own shares.

Mr Michel Freyche, BFCE's president, says that this change already gives the bank a great deal of room to seek new shareholders, since many insurance companies can take stakes through their banking subsidiaries.

He wants to enlarge his shareholder register still further, however, while keeping state-controlled institutions such as the Caisse des Depots - which is willing to reduce its existing 25 per cent stake - in a majority of at least 51 per cent.

The bank is likely to see a decline in profits from its activities as a state trade finance institution of FFr60m ($10.2m) this year and up to FFr80m next year, as French exporters continue to win fewer big contracts.

Andrew Fisher on the rehabilitation of a West German shipping group

Hapag-Lloyd finds calmer waters

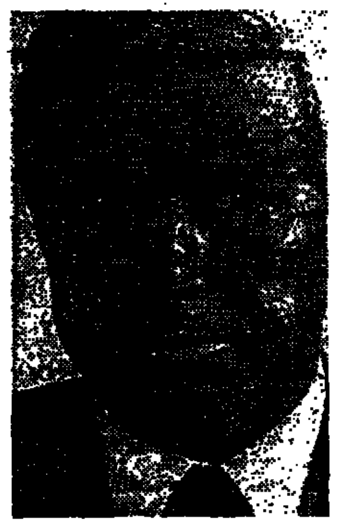
HAPAG-LLOYD, the West German shipping and travel group that fell on hard times five years ago, is buying back the elegant turn-of-the-century headquarters building in Hamburg that it had to sell as part of its recovery programme.

The DM110m proceeds from the sale to the Iduna insurance company were a vital element in the restructuring of Hapag-Lloyd, which had over-expanded in shipping ahead of the collapse in freight rates and had pushed too rapidly into the airline business.

Today, the group is back in profit, though still aching from the shipping downturn and it has a raft of new shareholders, mostly in allied areas: Lufthansa, the airline group; Kaufhof, the store and travel group; the Veba energy concern; Gevaert, the Belgian holding company; and TUI, the German tour operator.

Taking advantage of Hapag-Lloyd's improved finances, Deutsche Bank and Dresdner Bank have cut their joint stake from about 80 per cent to 25 per cent in the past year. They waived dividends during the hard times, but the company is now committed to a full pay-out on all shares.

Mr Hans Jakob Kruse, chairman, says of the re-purchase of the neo-classical headquarters, a prominent sight with its sandstone facade and weathered green copper roof on Hamburg's Inner Alster lake: "It's the last bit of patching up in our recovery."



Hans Jakob Kruse: waiting for more predictable environment

The group is not revealing the price it will pay early next year, but it will be enough to allow Iduna a modest profit under the original contract which gave Hapag-Lloyd the option to repurchase.

With more than DM700m ($406.9m) in cash, Hapag-Lloyd can afford to buy its own headquarters, while financing its five-year DM1bn investment programme in replacement container ships and aircraft for its tourist flights. Last year, cash flow rose by 6 per cent, to DM333m.

Profits, though, have developed less satisfactorily. The dire situation in container shipping, still Hapag-Lloyd's main activity, hit earnings. Increased depreciation also depressed the net figure.

This year, says Mr Kruse, group net profits should be "slightly better" than the DM53m of 1986. This was well down on the DM100m earned in 1985, with liner (scheduled container service) shipping suffering from continued over-capacity and stiff competition.

The fall in the dollar also hurt the group's liner income.

The currency's further slide this year has offset the effect of extensive cost-cutting at Hapag-Lloyd, notes Mr Kruse ruefully. Liner shipping now accounts for 65 per cent of the group's business, against 75 per cent three years ago.

Tourism, including the group's expanding charter airline and the Europa cruise ship, has moved up from less than 20 per cent of revenues to about 30 per cent. The strong D-Mark and steadily rising German incomes have made 1987 a bumper year for the tourist sector, though growth is expected to ease next year.

Hapag-Lloyd's profits on tourism should be about 10 per cent ahead in 1987. In liner shipping, however, "we shall be just about in the black." The group operates cargo ships on North Atlantic, South American, and Far Eastern routes but the bulk of profits stem from tourism.

After the group's painful climb back from near-bankruptcy in the early 1980s - combined net losses in 1982 and 1983 were DM218m - Mr Kruse is still cautious.

"We think we will be well advised to keep our powder dry, stay in the businesses we know, and wait for a more predictable environment," he says.

With its conservative depreciation policy and strong cash position, he believes Hapag-Lloyd is well equipped to ride out the next few years.

The enforced restructuring, which cost more than DM300m, came early in the shipping downturn.

"It was most unfortunate at the time, but it was lucky that we were forced earlier than others to cut costs to the bone, so we were less affected by the downturn in shipping," the chairman says.

Mr Dan White, transport analyst with County NatWest in London, believes that with Hapag-Lloyd's renewed financial strength, it has put itself "into a bolt-down position" for a future in which container shipping remains weak while tourism "is obviously going great guns."

Mr Kruse does not expect container shipping to pick up satisfactorily until the 1990s. The collapse in world financial markets has clouded the outlook for trade, especially with the US, but may also brake the expansion in liner tonnage.

"It could," Mr Kruse notes hopefully, "produce an earlier consolidation." In spite of the travails of the liner business, "it is an industry that has a future."

Swedish stockbroker has trading licence revoked

BY SARA WEBB IN STOCKHOLM

SWEDEN'S Banking Inspectorate yesterday revoked the brokerage licence for Civic Fondkommission, a medium-sized Swedish brokerage, as it had violated regulations concerning share and options trading.

The inspectorate's tough action follows a series of options scandals which it considers damaging to the reputation of the young options markets.

In a strongly-worded statement, the inspectorate criticised Civic for its "nonchalance" and "serious lack of respect" for the laws and regulations concerning share and options trading.

The last time the inspectorate used its power to revoke a licence was in 1976 and concerned the brokerage firm Jacobson Ponsbach.

Mr Lars Hedberg, of the inspectorate, said Civic had broken several regulations and had lacked adequate internal controls, especially in options trading where the company had failed to obtain signed agreements with customers over liability.

Civic said it had lost about SKr30m ($4.8m) when a former shareholder was unable to pay for losses made on index options, forcing it to bear the losses.

In other respects, Civic failed to separate shares belonging to clients from those owned by the brokerage, the inspectorate said.

Mr Hakan Jartell, managing director of Civic, said he was aware of the law which requires separate accounts for clients and the company but claimed it was common practice not to separate accounts.

The inspectorate said Civic had not checked whether clients who wanted to sell their shares had actually owned them in the first place - as a result, Civic had had to borrow shares from other clients' deposits to fulfil selling requirements.

Mr Jartell admitted this had taken place with Civic's regular customers.

Civic started business five years ago and has a share capital of about SKr100m. Profits last year reached about SKr10m.

Mr Jartell said the company would be unable to take on any new business until it had been taken over. Takeover discussions with Consensus, another brokerage firm, were underway, he said.

Spanish bank improves pre-tax profits by 23%

BY OUR FINANCIAL STAFF

BANCO DE VIZCAYA, Spain's fifth largest commercial bank which last year came close to establishing a joint banking venture with West Germany's Dresdner Bank, reports a strong rise in profits for the first nine months of 1987.

At the pre-tax level, profits have increased by 23 per cent to Pta18.8bn ($163.5m) compared with the same period a year ago. This follows an advance of nearly a third in gross operating profits and a solid increase in the bank's financial margin.

Vizcaya's operating earnings jumped by 32 per cent to Pta37bn from Pta31.8bn a year ago. Its financial margin widened by 15 per cent to Pta60.8bn.

The bank stressed it could give no more than broad details of its operating performance in the nine months. Provisions and depreciation charges rose to Pta17.5bn, while profits from disposals amounted to Pta459m.

At the end of September, Vizcaya, which is based in Bilbao, had total assets of Pta1,880bn, a 19 per cent increase over the period 12 months earlier.

The nine-month operating performance represents a further steady improvement by the bank over the third quarter. At the six-month stage, pre-tax earnings were 18 per cent higher, at Pta11.9bn.

Vizcaya's talks with Dresdner Bank, aimed at forming a joint banking venture in Spain, were cordially ended in May last year.

At the time, Vizcaya stressed it had not shelved plans for collaborating with a foreign bank.

However, it recently took exception to having Torras Hostench, the Spanish paper group, as a shareholder and bought back the paper company's 4.65 per cent stake in the bank.

The buyback was completed last month and it cost Vizcaya the equivalent of $160m.

Flat Thomson first half

BY PAUL BETTS IN PARIS

THOMSON, the French state-controlled defence and consumer electronics group, yesterday reported flat first-half consolidated net earnings of FFr1.14bn ($195m).

First-half sales were also unchanged at FFr28.5bn. The group expects to report higher profits for the whole of the year, compared with the FFr1.8bn earned in 1986.

However, group sales are expected to decline to FFr58.5bn this year from FFr62.65bn. This reflects changes in the group's structure, including the sale of its medical equipment division and the removal of the semiconductor division from the consolidated accounts following the semiconductor merger between Thomson and SGS of Italy.

On a comparable basis, sales would have increased by 4.5 per cent this year over the last 12 months.

Moreover, group sales next year will be boosted by Thomson's acquisition of General Electric's RCA consumer electronics business which is now being completed.

Italtel forecasts higher earnings

ITALTEL, the Italian telecommunications group, should post net profits in 1987 significantly higher than the L75.1bn ($58.8m) reported in 1986, Mrs Marisa Bellisario, the managing director, said, Reuter reports from Rome.

Earlier this year, the state-owned organisation reported a 50 per cent rise in first-half pre-tax profit, to L58.1bn.

To the Holders of

COLLATERALIZED MORTGAGE OBLIGATION TRUST
TWENTY-THREE

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Pursuant to the Indenture dated as of March 11, 1987 between Collateralized Mortgage Obligation Trust Twenty-Three and Texas Commerce Bank as Trustee, notice is hereby given that the interest rate applicable to the above Bonds for the interest period from November 1, 1987 through January 31, 1988 as determined in accordance with the applicable provisions of the Indenture, is 8.15% per annum. Amount of interest payable is $16.36 per $1,000 principal amount.

COLLATERALIZED MORTGAGE OBLIGATION TRUST
TWENTY-THREE

To the Holders of

COLLATERALIZED MORTGAGE OBLIGATION TRUST EIGHTEEN

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COLLATERALIZED MORTGAGE OBLIGATION TRUST EIGHTEEN

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A Scheme of Arrangement dated 17th May 1983 providing, among other things, for the exchange of bearer shares of Global Natural Resources Limited, formerly Global Natural Resources PLC, a company organised under the laws of England (Global-UK), for registered shares of Global Natural Resources Inc., a company organised under the laws of the State of New Jersey, USA (Global-US), became effective in July 1983. Pursuant to the Scheme of Arrangement, the issued and outstanding shares of Global-UK have been cancelled. They entitle the holders only to obtain registered shares of Global-US in exchange for their bearer shares of Global-UK and have otherwise ceased to have effect.

Holders of shares of Global-UK will not be entitled to receive dividends or notice of meetings or be able to vote or otherwise participate in the affairs of Global-US unless and until their bearer shares of Global-UK and the Form of Application to receive registered shares of Global-US, legibly completed, are received by the Exchange Agent named below and the shares of Global-US are registered in the name of such holders. Accordingly holders of bearer shares of Global-UK are strongly urged to write to one of the addresses given below to obtain Forms of Application.

Forms of Application may be obtained from the following:

Exchange Agent:
Registrar and Transfer Company
Attn: Exchange Department, 10 Commerce Drive
Cranford, New Jersey 07016, USA
or from:
Global Natural Resources Inc.
5300 Memorial Drive, Suite 900
Houston, Texas 77007, USA
or from:
Hambros Bank Ltd
Attn: Stock Counter, 41 Bishopsgate
London, England EC2P 2AA

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Interest Rate 9.38%
Interest Period 30th October 1987 / 30th November 1987
Interest Amount due 30th November 1987 per
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SOCIETE GENERALE DE BELGIQUE
GENERALE
GENERALE MAATSCHAPPIJ VAN BELGIE

Public Limited Company

Incorporated in Brussels by Royal Decree on 28 August 1822
Registered Office: 30 rue Royale, 1000 Brussels
Trade Register Number: Brussels 17.487

The Management is pleased to invite shareholders to attend in the company's head office at 30 rue Royale, Brussels, on Tuesday November 24, 1987 at 11.30 am the Annual General Meeting, in accordance with Article 32 of the Memorandum and Articles of Association, to vote on the following agenda:

AGENDA
Appointments to be made in accordance
with the company's statutes

In order to attend this Annual General Meeting, shareholders must, in accordance with Article 29 paragraph 2 of the Memorandum and Articles of Association, deposit their shares by Tuesday November 17, 1987 at the latest, either with the company or with Banque Belge Limited.

R. MORETUS, Secretary
R. LAMY, Governor

Brussels
November 3, 1987

NOTICE OF REDEMPTION

BANCO DI ROMA
London Branch

ECU20,000,000
Negotiable Floating Rate
Certificates of Deposit due June 1989

NOTICE IS HEREBY GIVEN to the holders of the Certificates of Deposit (the "Certificates") in accordance with Condition 3 of the terms of the Certificates, as printed upon the reverse thereof, that Banco di Roma (the "Bank") has elected to repay the principal amount of the Certificates on 18th December 1987 (the "Redemption Date"). Payment of the principal amount upon each Certificate, together with accrued interest thereon to the Redemption Date, will be made on the Redemption Date against presentation and surrender of the Certificates at the London Branch of the Bank at 14/18 Eastcheap, London EC3M 1JY.

Interest on the Certificates shall cease to accrue from and after the Redemption Date.

Mitsubishi Finance International Limited
as Manager and Agent

3rd November 1987

NORWEST CORPORATION

Norwest Corporation

U.S. $100,000,000

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Bankers Trust
Company, London
Agent Bank

Australia and New Zealand Banking Group Limited
(Incorporated with limited liability in the State of Victoria)

U.S. $300,000,000
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For the six months 30th October, 1987 to 29th April, 1988 the Notes will carry an interest rate of 8.0875% per annum with an amount of interest U.S. $408.87 per U.S. $10,000 Note and U.S. $10,221.70 per U.S. $250,000 Note, payable on 29th April, 1988.

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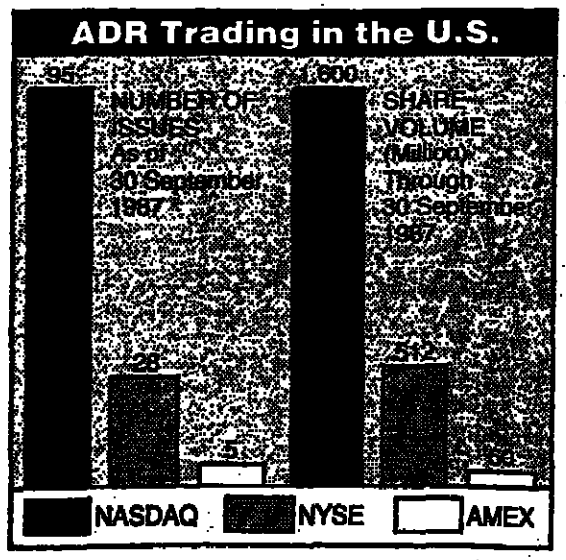

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Alexander Nicoll on the latest withdrawal from the Euromarket

Orion retreats from the crush

THE SHAKE-out in the Euromarkets is now definitively under way. Orion Royal Bank, which pulled out of the Eurobond market yesterday, is an institution for which the Euromarkets have been central for many years. Its decision that Eurobonds are not likely to be sufficiently profitable for the foreseeable future will fuel boardroom discussions around the world.

The overcrowding of both the Eurobond and gilt-edged markets is well accepted and decisions to withdraw have long been expected. Nevertheless, Orion's move resuscitates debates about what it takes to be successful in an increasingly difficult Eurobond market. It also leaves open questions about Orion's own future strategy and identity.

In itself, the decision to withdraw *from* the gilts market barely raised an eyebrow yesterday. It has been widely assumed that many of the 27 market-makers which entered the fray at Big Bang a year ago would fail to win sufficient market share and would be forced to drop out. Others are expected *to follow* the two *which have* already done so - Lloyds Bank *pulled out* in June - *especially* as competition is likely to become even more intense if the Bank of England accepts applications from Nomura and Daiwa to join the market.

The implications for the Eurobond market, however, are more far-reaching.

Orion joins several other houses which have either *closed their Eurobond business* or reduced it considerably, ar*guing that it is difficult to earn* an adequate return. Yet it is by far the largest player to have done so, and is the only one which has a substantial presence in the new issue market - though this had already slipped. In 1986, the bank dropped out of the "league table" of the top 20 lead managers of new bonds.

A year ago, when Mr John Sanders was recruited from SG *Warburg as chairman, the bank* was trying to concentrate highly successful "niche" sectors of the market such as Australian dollar bonds. Although the business was not enormous, Orion had a dominant position in Australian dollars. It was, as Mr Sanders said yesterday, a "nice *niche market and it was the only* game in town."

But it became less and less profitable as many other banks entered the same sector, creating overcrowding just as in every other active area of the market.

In *this sense*, the Eurobond market *may appear to sow the* seeds of its own destruction, with the players constantly eliminating their own ability to make a *profit*. There are also well-rehearsed criticisms of the *market's liquidity, which have* come to the fore in the past two *weeks as government bond markets* have met the liquidity needs of investors while the Eurobond market has been conspicuously unable to do so.

Many Eurobond specialists believe, however, that it is necessary to show full commitment and aim for dominance in the Eurobond market - if not in all areas of it, then in specific sectors - to be *successful. They see* the market slimming down until it *consists mainly of* larger players with the clout to win mandates and with a strong investor base, as well as a strong dealing desk to give confidence about liquidity to both borrowers and investors.

Marginal players lacking these attributes will find it increasingly *hard to survive. They* will be increasingly unable to *justify the costs of Eurobond* operations, with expensive staff and equipment, which primarily play "pass the parcel" - buying and selling Eurobonds among *market-makers* rather than to investors.

Orion, a former consortium bank which was bought by Roy*al Bank in 1981, is thought by* many to have lacked a commit*ted strategy to tackle the* Eurobond market. Its loss of many *able staff over the years is part*ly attributable to this perception. Critics of *yesterday's* move found the same lack of strategy in yesterday's announcement.

Mr Sanders, however, is adamant that *a cohesive strategy is* in place, and that it has the full backing of Royal Bank. Though the decision to withdraw was taken in London, it was supported by the Toronto headquarters.

Orion's review of business strategy, he said, has identified core businesses for which *it* sees excellent prospects. Kitcat and Aitken, the UK stockbroker which the group bought, has been successful, and Mr Sanders laid particular stress on his *statement that Royal Bank* "is unequivocal about its intention to develop a strong equities underwriting and trading capability in Canada." This, he said, "will be a great advantage to us internationally."

Talks on the acquisition by Royal Bank of a substantial stake in Wood Gundy fell through earlier this year.

Some in the market found contradictory Orion's decisions to pull out of the gilts market but to continue in what it called "multi-government bond trading". Mr Sanders said, however, *that it was feasible* to provide advice and trading services to *customers on the full range of* international securities without undertaking to make markets in them to other professionals.

Retrenchments in London's international markets in 1987

	Date	Pulled out of	Jobs lost
Lloyds Bank	Jun	Eurobonds and gilts	100
Shearson Lehman	Sep	*(Did not withdraw from any market)*	*150*
Chemical	Oct	Primary Eurobonds (and reduced trading)	170
Salomon Bros	Oct	*Commercial paper* (and US *municipal* bonds)	150
L.F. Rothschild	Oct	Reduced Eurobond staff	10
Dean Witter	Oct	Eurobonds	14
Saudi Intl Bank	Oct	(Did not withdraw from any market	31
Orion Royal	Nov	Eurobonds and gilts	150
Hill Samuel		To cease Eurobonds on TSB *takeover*	

First yen CP to be launched this month

THE JAPANESE Ministry *of* Finance has given formal notice to banks and securities houses that companies are officially authorised to issue yen commercial paper *(CP)*, enabling the first CP to be launched on *November 20*, **Reuter reports from Tokyo.**

MoF officials said that CP maturities will range between one and six months, while the minimum issue unit is Y100m. Both securities houses and banks can underwrite CPs.

CP will be free from withholding tax.

Japan likely to buy US T-notes

THE BANK *of Japan (BoJ) is* likely to buy US three-year notes at today's Treasury auction using dollars it has accumulated through recent foreign exchange market intervention operations, **Reuter reports from Tokyo.**

A senior Bank of Japan offi*cial said yesterday: "This will* be done in line with the usual practice *of holding* some reserves in foreign securities and not in a bid to support the US Treasury market or the dollar."

The Bank and the Ministry of Finance have also been sounding out investors about their intentions at the auctions, but officials deny that this was aimed at stimulating buying.

A senior official at the MoF's International Financial Bureau said: "We are watching the market and collecting necessary information from institutional investors every day but none of it is done to achieve a special purpose."

But Japanese institutional investors say that such queries, which were conducted before each of the last two Treasury refundings, are in effect a request that they engage in at least token buying at the auctions.

The US Treasury is scheduled to sell $23.75bn of securities this week, starting with $9.75bn of three-year notes today.

One bond manager said the expected *buying of* three-year notes by the central bank should help get the auctions off to a good start.

The central bank official said: "We place non-competitive bids in every quarterly refunding and are frequently purchasing three and six-month bills as well."

Some analysts said the bank bought about $700m of the $1bn in three-year notes offered in May.

"Three- year *notes* are the best buy as we mostly hold US securities to maturity. So 10-year notes and 30-year bonds do not fit well into our portfolio," the bank official said.

Esmark International S.A.

a subsidiary of

Esmark, Inc.

has acquired

Repetto S.A.

The undersigned assisted
Esmark, Inc. in the negotiations.

Chase Manhattan Bank (Paris)
September, 1987

Chase
Investment
Bank

Euro-equity syndication guidelines from IPMA

By Our Euromarkets Staff

THE INTERNATIONAL Primary Market Association, the trade association grouping houses active in the *Eurobond* primary market, has approved a check list *of items that it recommends* should be disclosed by lead managers when syndicating a Euro-equity issue.

The disclosure list is seen as the most important of six new recommendations approved by IPMA's board last Friday. These are the first guidelines it has produced to cover the Euro-equity market.

Ironically, the recommendations appear at a time when Euro-equity *issuance* seems certain to be severely depressed by the worldwide stock market crash.

The check list of details to be disclosed has been devised amid complaints that co-managers joining international equity underwriting groups have sometimes received inadequate information.

The other guidelines, covering such matters as commission payments and stabilisation charges, are adapted from *existing* recommendations on debt instruments, *IPMA said yesterday. But* there is a new recommendation laying down a time limit for the delivery of share certificates.

In a separate move, Mr Armin Mattle, chairman of IPMA and managing director of Union Bank of Switzerland, said after Friday's meeting that IPMA's board had condemned price ramping of Eurobonds, in both the primary and secondary markets.

Mr Mattle's statement underlines the sensitivity of leading Eurobond market practitioners to worries about the lack of discipline of the market.

The Association of International Bond Dealers, the secondary market body, is seeking to become a designated investment exchange within London's regulatory structure. But at the same time concerns about the market's illiquidity have been growing.

IPMA is also considering ways of bringing securities' houses involvement in the Euro-equity market into its membership criteria. Currently, to obtain membership a house must have run the books on at least 12 bond issues over the last two calendar years.

ICCH raises margins on FT-SE futures

BY STEPHEN FIDLER

MARGINS HAVE been increased by 50 per cent on futures contracts on the Financial Times-Stock Exchange 100 *index on the London International* Financial Futures Exchange.

The decision, which boosts the initial margin on the contracts to £7,500 from £5,000, was taken late last week in anticipation of possible volatility in the London stock market this week.

It was taken by the International Commodities Clearing House after consultation with *Liffe, before the government* decision announced Thursday *to support the British Petro*leum share sale. All margins calls - effective on the 9,145 contracts which remained open on Friday - were met yesterday morning, the exchange said.

The new margins are enough to cover adverse market movements of about 300 points in the FT-SE index. If the market remains relatively calm, the requirement is expected to be reduced by the *end of the week*.

The margin was last increased from £1,500 on October 20, the day after "Black Monday" on world share markets.

PFC venture in global asset management

By Robert Gibbens in Montreal

POWER FINANCIAL (PFC), the financial services arm of *Power Corporation of Canada*, has moved into global asset management in London and plans shortly to announce a merchant banking venture in Canada.

PFC has taken a 50.1 per cent interest in HD International, formed recently in London with a 9.9 per cent stake *held* by Henry Ansbacher and the *remaining 40 per* cent by James Heyworth-Dunne and six other international *investment* managers formerly with NM Rothschild, the London merchant banking house.

Ansbacher is 51 per cent controlled by Pargesa, the large Geneva-based investment holding company in which PFC has an 18 per cent interest. Mr Heyworth-Dunne is managing director and chief executive of HD International.

Mr Paul Desmarais Jr, PFC's president, said HD International begins with more than C$200m (US$151.5m) of client portfolios under management and expects to build up substantially over the next 18 months. It will concentrate on pension funds and other large capital pools and invest in stock, bond and currency markets selling to North American and other customers on a global basis.

Prices ease ahead of US Treasury auction

BY CLARE PEARSON

PRICES CLOSED easier in most sectors of the Eurobond market yesterday, although dealing was subdued ahead of this week's US Treasury bond auctions. A public holiday in some Continental centres, and the prospect of today's holiday in Japan, also cut trading volume.

Sentiment in the Australian dollar bond market was depressed by Orion Royal Bank's announcement it was withdrawing from market making in Eu*robonds. Orion was generally* reckoned to be the second lar*gest Australian dollar bond* market maker after Hambros Bank.

Dealers initially marked prices of many outstanding Australian dollar bonds as much as a full percentage point lower. Uncertainty about whether Orion would continue to unwind positions in the market weighed on dealers for the rest of the day.

Dealers said Orion's surprise *announcement was particularly* unfortunate, given that the Australian dollar sector was otherwise showing signs of recovery after sharp price falls last week. This had sent yields up to around 15 per cent, tempting retail clients back into the market.

US Treasury bonds fell following a renewed slide in the dollar, and amid concerns that the Federal Reserve might now be stepping back from its generous credit stance of the last two weeks.

Prices of 10-year Eurodollar bonds closed about ⅜ point lower. Overall selling was light, although the longer end of the market was under continued pressure as investors switched into shorter-dated securities.

INTERNATIONAL BONDS

Sterling bond dealers were still preoccupied whether a further cut in the UK's 9½ per cent base lending rates would emerge. Some had been expecting this to emerge last Friday, after Mr Nigel Lawson's announcement that the £7.2bn British Petroleum share issue *would go ahead.*

Attention will now focus on the Chancellor's Autumn statement today and, more importantly, tomorrow's Mansion House speech, at which he is expected to explain the government's monetary policy.

Eurosterling bond prices eased by around ⅛ point yesterday, although slightly outperformed a lacklustre gilt market.

Sanwa International led the day's two new *Eurobond* issues - neither of which is expected to see active trading. The first was a $35m five-year floating rate note, secured on a bunch of Japanese ex-warrant bonds. Issued by Flash 2, a Cayman Islands vehicle, the bond pays 21 basis points over six-month London interbank offered rate.

Sanwa also led an NZ$50m five-year FRN for Sanwa Australia Leasing, paying 45 basis points under the six-month New Zealand bank bill rate. It may be put at par and, like Flash 2's bond, is priced at 100.10.

In the D-Mark Eurobond market, profit-taking - following the gains of the last two weeks - pushed prices down by about ¼ point, though trading was quiet. Supranational bond prices fell by as much as 30 basis points.

Domestic bond prices were mainly unchanged. The average yield was 6.19 per cent.

Swiss franc foreign bond prices closed with gains ranging between ¼ and one point in active trading.

Twin SFr75m issues appeared for the **Kingdom of Belgium.** A five-year 4¾ per cent bond was led by Kredietbank Suisse, and a four-year 4⅝ per cent bond by Credit Suisse. *Both* were priced at 100⅛.

EOE may close market-maker

BY LAURA RAUN IN AMSTERDAM

THE EUROPEAN Options Exchange (EOE) plans to close a financially troubled market-maker *if the firm fails to find* fresh financing or close its *risk positions within* 10 days.

Mr Tjerk Westerterp, director of the Amsterdam-based EOE, yesterday said the firm had been given until November 13 to wind down its risk positions to an acceptable level or arrange for more credit. The firm, which he declined to *identify*, has been refused additional financial *guarantees from one of the* EOE clearing members which finances market-makers.

Four other market-makers on the EOE are under trading restrictions which mean that no new *risk* positions can be opened and existing ones can *only* be closed. *All five* market makers are understood to operate mostly in stock options and to a lesser extent in gold and silver contracts.

Last month's stock market crash has strained the financial resources of market makers on the *EOE and of hoekman* firms (jobbers) on the Amsterdam Stock Exchange - both big and small. One of the largest *hoekman* firms on the bourse, Mellegers and Van den Elsaker, was rescued by the leading options market-maker, *Amsterdam Options* Traders (AOT), last week after *suffering a withdrawal of its* credit.

Such a merger is a possible solution for the options market-maker *given the 10-day* warning, Mr Westerterp said.

The EOE closed lower yesterday in line with the decline on the *equities* market, prompting Mr Westerterp to *summon the struggling members* into his office during trading hours.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Closing prices on November 2

US DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Abbey National 7½ 92	200	92¼	92¾	−0⅛	+0⅛	9.69
All Nippon Air 9⅝ 97	100	92	92½	−0¼	−2	10.68
American Brands 8⅝ 92	150	96¼	97	−0⅛	−0¼	9.78
A/S Eksportfinans 7⅝ 93	100	90¼	90¾	0	−0¼	9.75
A/S Eksportfinans 7⅞ 92	150	92¼	92¾	−0⅛	+0¼	9.43
Belgium 9⅛ 92	400	98⅝	99⅛	0	+0⅛	9.41
British Telecom 7⅝ 96	250	†85¼	86¼	−0½	−0¼	10.07
British Telecom 8⅝ 94	150	†94¾	95¼	−0¼	−0¼	9.91
Campbell Soup 10⅞ 95	100	103¾	104⅜	−0¼	−0⅛	9.74
Canada 9 96	2000	96½	97	−0⅛	−1	9.59
Canadian Pac 10⅝ 95	100	†104⅜	104⅞	+0¼	+1½	9.62
C.C.C.E 7⅜ 91	113	93⅛	93⅝	−0¼	+0⅛	9.19
C.N.C.A 7¾ 91	150	92⅝	92⅞	−0⅛	−0⅛	9.52
Coca-Cola Ent. 8⅞ 90	100	†99⅜	99⅝	−0⅛	−0⅛	8.49
Credit Lyonnais 9 92	200	99	99½	−0⅛	−0⅛	9.24
Credit National 7⅞ 92	100	93	93½	+0⅛	+0⅛	9.30
Credit National 7¾ 91	150	93¼	93¾	0	+0⅛	9.20
Denmark 7⅞ 92	500	91½	91¾	−0⅛	−0¼	9.59
Denmark 8¾ 91	300	96¼	96¾	0	−0¼	9.39
E.E.C 7 91	100	92¾	93¼	+0¼	+0⅛	9.12
E.E.C. 7¾ 93	250	90½	91	−0⅛	−0¼	9.52
E.E.C 8¼ 96	100	90¼	90¾	0	−0⅛	9.92
E.I.B. 7⅝ 93	100	†91	91½	0	+0⅛	9.57
E.I.B. 9⅝ 97	150	†95⅞	96⅜	−0¼	−0¼	10.04
Finland 7⅝ 97	200	86½	87	−0⅛	−1	10.16
Finland 7½ 93	200	90½	91	0	0	9.63
Ford Motor Cred 11⅞ 90	*100*	*104⅜*	104⅞	−0⅛	−0⅛	9.00
Gen Elec Credit 10¼ 00	200	†101⅜	101⅞	0	−0⅛	10.00
G.M.A.C. 8 89	250	†98¼	98¾	—	—	8.91
G.M.A.C. 8¾ 89	200	†99½	100	0	−0¼	8.37
Hoesch 8¾ 97	100	†86½	87	0	−1½	10.52
Hoesch 7⅞ 92	100	†94	94½	−0¼	−1	8.99
Hoesch 7⅞ 94	300	†90¼	90¾	0	−0⅛	9.93
Liberty Mutual 8½ 96	150	91¼	91¾	−0⅛	−0½	10.02
L.T.C.B of Japan 8 91	100	94⅞	95⅜	−0⅛	−0⅛	9.66
L.T.C.B of Japan 8 97	200	85¼	85¾	−0⅛	−1¼	10.57
Mercedes-Benz Cred 8¼ 92	100	†98	98½	0	−0⅛	8.70
Mitsubishi Fin. 7⅞ 95	*100*	*89¼*	*89¾*	*0*	−0⅛	*10.26*
Mutual America 7⅝ 92	100	†92⅜	92⅞	−0¼	−0⅛	9.92
Norway 7¼ 91	500	93⅞	94⅜	−0¼	0	9.22
Pepsico Inc 7⅞ 92	*200*	†91	91½	*0*	*0*	9.46
Prudential Crp. 8¾ 94	125	†94¾	95¼	−0⅛	−0½	9.78
Qantas Airways 10⅝ 95	140	†109⅝	110⅛	+9½	+8⅝	8.51
Saab Scania 9½ 91	125	99⅜	99⅞	−0⅛	−0⅛	9.60
Saskatchewan 10¼ 92	100	103¾	104¼	−0⅛	−0½	9.55
State Bk S Aust 9¼ 93	100	†96⅞	97⅜	−0¼	−0⅛	9.95
Swedish Expt.Crd.7¼ 91	100	92¾	93¼	−0½	−0⅛	9.36
Swed Exp Cred 10 92	100	102	102½	−0⅛	−0¼	9.34
Sweden 7 90	250	93⅛	93½	0	+0⅛	9.11
Sweden 7 92	250	92⅝	93	+0⅛	0	9.14
Sweden 8¾ 96	200	93	93½	−0½	−1⅛	9.95
Sweden 8½ 92	200	†96¾	97¼	+0⅛	−0⅛	9.29
Taiyo Finance 7¾ 94	100	88⅞	89⅜	−0½	−0½	10.20
Toyota Motor Cred 8 89	100	†98⅜	98⅞	0	−0⅛	8.88
Toyota Mtr.Cred 7⅞ 92	*150*	91¾	92¼	−0⅛	−0⅛	9.72
Victorian Rep 11⅝ 92	150	106¼	106½	−1⅛	−1¼	9.80
World Bank 7 92	300	†92½	93	0	0	9.12
World Bank 9 97	300	93¾	94⅛	−0¼	−0⅛	9.98
Yasuda Trust Fin 8½ 93	100	92½	93	+0⅛	−0⅛	10.23

Average price change... On day −0⅛ on week −0¼

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Arab Banking 5½ 92	150	96½	97	0	+1¼	6.32
Avis Fin.SVS 5⅞ 92	100	†98	98½	0	−1	6.33
Bank of Greece 6⅞ 95	150	96¾	97¼	0	+0⅛	7.06
Bank of Tokyo 5¾ 93	100	†100¾	101¼	+0½	+1¼	5.52
Central BK. Turkey 7 92	200	†100	100½	0	+0⅛	6.95
Degussa Int. 6⅞ 97	200	95⅛	95⅝	0	+0⅞	7.07
E.I.B 5½ 98	150	90¾	91¼	+0¼	+2¼	6.72
E.I.B 6 97	300	96½	97	−0¼	+0⅞	6.49
E.I.B. 6⅛ 96	300	97⅞	98⅜	−0¼	+1	6.43
E.I.B. 6⅛ 97	400	96¼	96¾	−0½	+1	6.63
E.I.B. 6⅞ 95	300	102¼	103	−0⅛	+1¼	6.44
Euro.Coal& Steel 5⅞ 97	275	95⅝	96⅛	0	+1¼	6.45
Eurofima 6¼ 96	100	96⅞	97⅜	−0¼	+0½	6.67
Elec Du France 5¾ 97	300	92¼	93	+0¼	+0⅝	6.81
Hoesch Int'l Fin.7 95	100	98⅝	99⅛	−1	−1¼	7.16
I.A.D.B. 6 97	200	94⅞	95⅜	0	+2⅛	6.68
IBJ 5⅝ 92	100	†100	100½	+0¼	+1⅝	5.81
Japan Finance 5¾ 97	100	92½	93	−0½	+1¼	6.84
Ireland 6½ 97	300	†96½	97	+0¼	+1⅞	6.97
Korea Dev BK 6⅝ 93	100	98⅝	99⅛	0	−0½	6.83
Malaysia 6 −¼ 94	150	97	97½	0	+0½	6.77
Oesters.Kont.BK.5⅝ 92	200	†99½	100	+0½	+1⅝	5.68
Portugal 5¾ 92	150	98⅝	99⅛	0	+0½	5.99
Portugal 6⅝ 95	150	98⅝	99⅛	0	−0⅛	6.83
Royal Insurance 5½ 92	300	†99⅝	100	0	+0¼	5.56
Statoil 6⅞ 97	200	†93⅝	94	0	+1½	7.18
Soc Cent Nuclear 7¼ 95	150	100⅝	101⅛	−0⅛	+0⅛	7.11
Societe Cent Nuclear 8 91	100	104¼	105	0	−0⅛	6.52
Steweag 5½ 96	100	90⅞	91⅜	+0⅛	+0⅝	6.84
Tokyo Elec. Power 6 97	300	†93⅝	94	+1½	+1¾	6.92
World BK. 6¼ 97	600	98⅝	99	+0¼	+2⅛	6.48

Average price change... On day +0 on week +1

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev.Bk. 5⅜ 96	100	†97	97½	−0¼	−2⅛	6.05
AMR Corpn. 5¾ 01	200	†88	89	−1	−0¾	6.55
Asfinag 5 02	150	†94	94½	−0⅛	+0½	5.58
Bayer W/W 2½ 02	250	†100	101	+0¼	+3	2.46
BBL W/W 2⅛ 97	100	†84	85	+3½	−8¼	4.78
Elec.De.France 5 07	100	†97	97½	0	−0½	5.22
E.I.B. 4¾ 97	200	†97	97¼	−0¼	+0⅛	5.13
E.I.B 4⅝ 97	200	†94½	95	+0½	+0⅞	5.35
Esso Gelsenk 5 99	100	†98	98¼	−0¼	+4⅞	5.20
Ireland 5 02	150	†91	92	+1	−0⅛	5.88
Newfoundland 5⅛ 02	150	†101½	101¾	−0½	+1½	4.97
Polly Peck 6 92	75	†98½	99	0	−1¼	6.33
Prov.of Manitoba 4⅞ 02	200	†97¾	98¼	+0⅛	+2⅞	5.01
Prov. of Quebec 5 03	200	†96	98	+2¾	+4⅞	5.28
Qantas Airways 4⅝ 97	110	†94	94½	+0½	+2½	5.52
SHV Holdings 4¾ 94	100	†98¼	99	+1⅞	+0¼	4.94
Tiroler 4⅝ 97	100	†97	98	*0*	+0¼	5.08
TNT 5 95	100	†97¾	98¼	0	−1⅛	5.32
Woolwich B/S 4½ 92	120	†96	96¼	+0⅛	+2¼	5.43
World Bank 5 02	*200*	†93	94	−0⅛	+2⅛	5.66

Average price change... On day +0⅛ on week +0⅞

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Belgium 4⅝ 94	45	95⅜	95¾	+0½	+2¼	5.43
E.I.B 4⅝ 94	40	95¾	96⅛	+0⅜	+1⅝	5.36
Elec. De France 5⅛ 94	20	98¼	98¾	+0⅜	+1⅛	5.40
Kansai Electric 4⅝ 94	60	94⅞	95⅛	+0¼	+2½	5.58
Norway 4¼ 92	60	96	96⅜	+0⅜	+1¼	5.24
S.N.C.F. 4⅞ 93	20	97¼	97⅝	+0⅜	+1⅞	5.41
World Bank 5½ 92	50	*101¼*	*101⅝*	—	—	5.14

Average price change... On day +0¼ on week +1½

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aegon 5¾ 91 FL	100	97½	98⅛	—	—	6.41
Aegon 6¾ 89 FL	100	102¾	103⅜	—	—	6.26
Air Products 6¾ 91 FL	100	99¼	100⅛	—	—	6.73
Alg. Bk. Ned. 5¾ 91 FL	100	97½	98⅛	—	—	6.42
American Brand 9½ 94 £	50	96½	97⅛	+0⅛	−0¼	10.19
American Express OC.10 94	40	96½	97⅛	+0¼	−0⅛	10.70
BP Capital 13¾ 92 A$	75	†95	95½	−2	−5¼	15.17
Creditanstalt 14½ 90	60	†95¼	95¾	−2	−5¼	16.24
Denmark 7¾ 92 ECU	100	*†100⅛	100⅝	0	+0⅛	7.63
DG Fin. Co. 13¾ 90 A$	50	†98	98¼	−2⅛	−4¼	14.43
DG Fin. Co. 14 90 A$	75	†97½	98¼	−3¼	−4⅞	14.92
DG Finance 14⅛ 92 A$	50	†99	99¼	−2⅛	−5¼	14.50
Deutsche Bank 9⅞ 97 £	75	98	98⅝	+0⅛	−0¼	10.13
Deutsche Bk.14¼ 92 A$	100	†96¼	96¾	−2	−5⅛	15.53
Dresdner Fin.13¾ 92 A$	100	†95	96	−0½	−4⅞	15.52
E.I.B 7⅞ 91 ECU	100	*†100	100	0	+1½	7.36
E.I.B 8⅝ 93 LF	1000	*†103	103	0	0	7.89
Euratom 7¾ 97 ECU	145	*†89⅜	89⅜	0	+1⅜	9.04
Euratom 11½ 88 FL	150	102½	103¼	—	—	0.06
Finland 6 91 FL	100	98¼	98⅞	−0¼	+0⅛	6.42
Ford.Mtr.Cred.13⅝ 91A$	75	†94¼	95	−1¼	−5¼	15.66
G.M.A.C. 9 92 £	90	97⅞	98⅜	−0¼	−0⅛	9.49
G.M.A.C. 9¾ 92 C$	75	96¼	97¼	0	−1	10.07
G.M.A.C Aus.Fin.14 90 A$	50	†94¼	95	−1½	−5⅜	16.51
Halifax BS 10⅝ 97 £	100	99	99½	+0¼	+0⅛	10.48
Helaba Fin. 13½ 96 A$	75	†95	95¼	+0⅝	−5	14.30
Imp Chem Inds 10 03 £	100	96¼	97¼	−0¼	−0¼	10.38
Inv.in Ind.Ind 10 93 £	60	99	99⅜	+0¼	−0¼	10.19
Land Securities 9⅞ 07£	200	†87¼	87¾	−0½	+0¼	11.07
Leeds B.S 10⅛ 91 £	50	100¼	100⅝	+0¼	+0⅛	10.32
Mort.Bk.Denmark 6 91 FL	150	98	98⅝	−0⅛	0	6.50
Nat.Australia 14 92 A$	50	†93½	94¼	−0⅜	−5	1.50
Nationwide BS 10⅛ 93 £	75	98⅝	99⅛	+0¼	−0⅛	10.38
New Zealand 7¾ 93 ECU	200	*†97½	97½	0	+2	8.33
Oesters.Kthk.13⅞ 94 A$	75	†95¼	96	+1	−5	14.65
Prudential Fin.9⅝ 07 £	150	89¾	90¼	−0¼	−0½	10.59
Royal Ins 10¼ 92 £	60	†102¼	102¾	0	0	10.04
Royal Trustco 10½ 90C$	75	100½	*101*	+0⅛	−1¼	*10.06*
Sainsbury,J 10⅞ 93 £	60	102⅝	103⅛	+0¼	−0⅛	10.11
S.D.R. 7¾ 95 ECU	90	*†97¼	97¼	0	+2¼	8.25
Trusthouse Forte 11⅛ 90£	*50*	*101⅞*	*102⅜*	−0⅛	−1	10.03
Thyssen 7¾ 90 FL	50	101¼	101⅞	−0⅛	+0⅛	6.64
Wessanen 6¾ 90 FL	50	100½	101⅛	−0½	0	6.45
World Bank 11¾ 95 £	100	106½	107	+0⅛	−0⅛	9.91
World Bank 13⅝ 92 A$	100	†94¼	95¼	−1⅛	−3¼	14.95

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn
Alberta 3 93	.0312	99.92	100.03	11/12	7.64
Alliance & Leic.Bld 94 £	.08	99.23	99.28	21/01	10.27
Belgium 93	0	99.88	99.98	19/02	7.19
Britannia 5 95 £	0⅛	99.64	99.69	8/01	10.37
Chase Manhattan Corp 91	0¼	99.35	99.60	22/02	7.19
Citicorp 98	†0¼	97.30	97.55	30/11	7.12
Credit Lyonnais 5 00	†0¼	98.24	98.34	13/02	7¼
EEC 3 92 DM	†0	100.06	100.11	22/02	4.31
Halifax BS £ 94	.1	99.29	99.34	6/11	9.41
Midland Bank 01 £	.1	96.39	96.57	11/11	10.35
Milk Mkt.Brd. 5 93£	0⅛	99.45	99.50	30/12	10.37
New Zealand 5 97 £	.07	99.29	99.39	18/11	10⅝
New Zealand 5 01	*0*	99.14	99.24	4/02	7¼
Shearson Lehman Hlds 93	†0¼	99.40	99.65	6/11	7¼
United Kingdom 5 92	0	100.12	100.19	7/01	8.19
Woodside Fin. 5¼ 97	0	98.99	99.09	28/01	7.69
Woolwich 5 95 £	0⅛	99.23	99.28	19/11	8.81

Average price change... On day −0.04 on week −0.04

CONVERTIBLE BONDS	Cnv. date	Cnv price	Bid	Offer	Chg. day	Prem
Alcoa 6¼ 02	8/87	62.	92	94	+4¼	34.09
Alco Health 6¼ 01	†7/86	26.25	76	77	−0¼	70.90
American Brands 7¾ 02	9/87	56.7	100¼	102¼	+0½	35.00
American Can Co. 5½ 02	4/87	66.75	64¾	66¾	+3⅝	51.97
Ashikaga Bank 2⅛ 02	4/87	967.	108¼	110	+2¾	1.90
Asics 5 92 DM	12/83	438.6	144¼	145¾	+4	4.08
CBS. Inc. 5 02	†4/87	200.	94½	96½	+0⅞	10.64
Chiba Bank 2⅞ 02	1/87	790.5	170½	172	+4¼	6.74
Fuji Hvy Inds 3 00	8/85	676.	135¾	136¾	+5⅞	2.91
Fujitsu 3 99	5/84	1106.	160⅝	161⅝	−6⅞	−4.73
Gunma Bank 2⅛ 02	4/87	808.	127⅞	129⅛	+0⅞	0.58
MCA INC 5½ 02 US	9/87	*69.62*	71	73	+3	27.72
Minolta Camera 2¼ 94DM	2/86	1004.	90¼	91¼	−0¼	39.61
Mitsui trust 2⅞ 01	10/86	1903.	119½	120¼	+4¼	2.78
Next PLC 5¾ 03 £	11/87	4.3	100	102	+0½	65.76
Nippon Elec 2⅞ 00	1/85	1295.	257	258	+0⅝	−0.04
Oki Elec Ind 3½ 99	10/84	805.	162⅞	163⅞	+0½	−0.05
Omron Tateisi 2⅞ 02	4/87	1310.	130	131	−1½	−1.53
Redland 7¼ 02 £	1/87	5.4	85¼	87¼	0	15.00
Yokohama Bank of 2⅝ 01	10/86	1014.	157⅝	159	−0⅛	−3.02
W.R. Grace 6¼ 02 US	9/87	84.25	87⅞	89½	+10	70.67

* No information available-previous day's price

† Only one market maker supplied a price

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is *minimum*. *C.dte*=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡three-month; §above mean rate) for US dollars. C.cpn=The current coupon.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv date=First date of conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

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Lucy Kellaway on a Norwegian oil group's plans to widen its equity base

Saga unruffled by unsuccessful issue

BRITISH PETROLEUM's underwriters are not the only ones to be faced with the problem of how to get rid of piles of stock purchased at distressingly high prices. In Oslo last week a mini-copy of the BP share issue was played out as Saga Petroleum, one of the largest quoted companies in Norway, embarked on its own secondary offering, with the target of transferring 10 per cent of its equity from domestic to international investors.

The four unhappy managers of the issue, Den norske Creditbank, Wood Mackenzie, Morgan Guaranty and Finanshuset, have spent nearly NKr500m ($76.2m) over the last fortnight in a fixed price tender for the shares from Saga's Norwegian investors.

With the share price yesterday at NKr122 compared with a tender price of NKr180, they will tomorrow lock in a substantial loss when they announce the price at which the shares are to be sold.

Were it not for the fall in the market, the international issue of shares would have been a proud moment for Saga, marking a new era of confidence. The company, which last year was in danger of being Norway's most serious casualty of the oil price collapse, short of cash and surrounded by potential predators, now has money in the bank and development projects on the table.

Saga says it has become too big for the Oslo stock exchange. Not only is it often the most active share traded but its size - two weeks ago it was worth almost NKr5bn - demanded a wider equity base.

Earlier this year Saga got permission from the Norwegian authorities to double its international shareholding which is now limited to a 20 per cent stake held by Volvo. The plan was to achieve this in part through an overseas secondary offering and in part through a new international convertible bond issue, expected to raise between NKr100m and NKr150m.

Both have been soured by the fall in the market - Saga said last week that the convertible issue may be postponed until the markets recover their stability.

The company does not appear worried that all is not going to plan. According to Mr Anders Utne, senior vice president, its underlying strengths should be enough to tempt investors with an eye on the long term. Moreover, the company can afford to wait for its cash.

Last autumn Saga strengthened its balance sheet with a NKr500m rights issue and has recently renegotiated a $1bn Eurodollar facility. With cash balances of nearly NKr2bn at the half year, it has enough to finance most of its pending projects.

But more than to its respectable balance sheet, Saga owes its new found health to the recovery of the oil price from less than $10 last year. With prices now at $18 a barrel and apparently stable, Saga is pressing ahead with Snorre, the first field which it is to operate itself. Saga attaches paramount importance to developing this 700m barrel field, which it says will "allow us to become a fully-fledged oil company."

Since its foundation in 1972, Saga has been the baby brother of the other two Norwegian oil companies, Statoil and Norsk Hydro. It was designed as a vehicle to allow non-oil Norwegian companies to invest in the oil industry, and has thrived as a result of the Norwegian Government's policy which has handed out favours with a view to building a strong and diversified national energy sector.

It is perhaps because of this special relationship with the Government that Saga feels confident that its Snorre project will not be forced to join a queue which is likely to be instituted for all new developments.

Much is at stake - if the project is delayed, Saga may have to lay off large numbers of its staff, half of whom are working on the project, and return to being a small partner in other companies' large ventures.

However, these stakes are not insignificant and, in terms of reserves, Saga is now larger than Britoil, the biggest UK oil independent. According to Wood Mackenzie, Saga has reserves of 150m tonnes of oil compared with some 124m tonnes attributed to Britoil.

Due to its protected status at home, which has routinely secured Saga favourable treatment in Norwegian licensing rounds, growth prospects seem good. Unlike its UK counterparts, Saga has little incentive to enter the increasingly competitive international skirmish for oil exploration rights.

While most UK oil independents are faced with falling production as all the big North Sea fields are declining, Saga's production is on a steep incline, forecast to have risen five-fold between 1985 and the end of the decade.

As the large Troll field comes on stream, oil output will progressively be replaced by gas, which promises to remain a major source of revenue for Saga well into the next century.

The comparative brightness of Saga's prospects had not gone unnoticed on the Oslo market and since February the price has risen more than three-fold.

However in the prevailing mood of stock market chaos where tomorrow is beyond the forecasting horizon of most market-makers, the prospect of gas revenues in the year 2000 gives little scope for comfort.

Standard Chartered HK deal

BY KEVIN HAMLIN IN HONG KONG

STANDARD Chartered Asia, the merchant banking arm of Standard Chartered Bank, has agreed in principle to acquire a majority stake in Chintung Holdings, one of Hong Kong's biggest locally-owned stockbrokers, in a move which underlines a severe liquidity squeeze for the territory's securities industry in the wake of the market crash.

The acquisition excludes Chintung's futures trading arm, one of the most active operators on the local futures exchange. Chintung Holdings yesterday requested Chintung Futures' suspension from the futures exchange.

Mr Charles Wrangham, Standard Chartered Asia's managing director, said the deal was swiftly concluded and that it arose "out of the aftermath of the fall of the stock market and problems in the futures market."

The beleaguered futures exchange was last week rescued by a HK$4bn (US$512.8m) lifeboat fund pieced together by the government and private financial concerns.

Following a dispute with the stock exchange over dishonoured cheques, large foreign institutions now demand cash-based transactions from local brokers. Chintung's financial base was insufficient to provide cash payments for its large volume of business.

Mr Arthur Lai, Chintung's chief executive, said the backing of the bank would provide "comfort" for the company, and he thought a fresh capital injection would not be necessary. "Everyone is stuck in this mad system at the moment and one wants to be prepared for the worst."

Mr Wrangham said Standard Chartered Asia could not contribute to the solution of problems facing Chintung Futures. Last week, 39 suspended futures traders were served with writs by the Futures Guarantee Corporation in an attempt to recover HK$1.8bn.

Chintung Futures' voluntary suspension indicates that it has suffered from the market's steep decline. On futures trading, Mr Lai added: "We don't think it is viable for us to continue." A statement issued earlier, and then withdrawn, had suggested it was considering legal action against some of its futures clients.

Standard Chartered is to acquire its majority stake for an undisclosed sum. Mr Lai, who founded Chintung five years ago, retains a minority holding and will continue as its chief executive. Mr Wrangham said Chintung would plug a gap in Standard Chartered Asia's range of merchant banking services.

Chintung has overseas offices in London, Taipei, Singapore and Manila. It reported a profit of HK$6.3m in the year to March and had been considering a public listing.

Messina rights issue off

BY JIM JONES IN JOHANNESBURG

THE COLLAPSE of Johannesburg stock exchange prices has led Messina, the South African mining company, to defer its R62m ($30.9m) rights issue which was announced only three weeks ago.

The rights issue was designed to help finance the initial development of a new platinum mine and to free the company from restrictive borrowing covenants with its bankers.

In a terse announcement, the company said that alternative funding had been arranged for the platinum venture's initial development and the establishment of a pilot processing plant.

Messina has extensive platinum mineral rights in the South African black homeland of Lebowa. Exploratory drilling has indicated combined platinum group metal (PGM) grades of more than 6 grams per

Flat result for Brick and Pipe

BY BRUCE JACQUES IN SYDNEY

BRICK AND PIPE Industries, the Melbourne-based building products group in which CSR has amassed a stake, has produced a flat result for the half-year to September.

After-tax profit edged up to A$4.97m (US$3.35m) from A$4.95m on a marginal gain in sales to A$76.6m from A$74.5m.

The interim dividend has been halved to 2.5 cents per share, but the overall payout is higher on increased capital.

The company, which has a strong niche in the Victorian brick market, is yet to show any benefits from Clifton Brick Holdings, a former rival which it acquired in August.

A cashed-up CSR emerged late in October with a stake of about 17 per cent in Brick and Pipe, taking advantage of the stock market crash. Mr Gene Herbert, CSR managing director, has said the company has no acquisition plans but may increase its stake further.

ANZ Bank opens Taipei office

BY BOB KING IN TAIPEI

ANZ Bank has opened a representative office in Taipei that will eventually be upgraded to replace the Taipei branch of Grindlays Bank, ANZ's British subsidiary.

ANZ is expecting to capitalise on the growing trade links between Australia and Taiwan, and to attract Taiwanese investment capital to Australia. Taiwan's exports to Australia were up 31 per cent to US$801.7m for the first nine months of this year, while its imports rose 11 per cent to $723.1m.

Because of Taiwanese banking regulations, ANZ cannot simply take over the licence of Grindlays. It must operate a representative office for two years before an applying for a full licence. At that time, said Mr Reginald Nicolson, ANZ's chief operating officer, the Grindlay's branch will be shut

"We can derive more goodwill value with ANZ Bank using its own name for trading and marketing operations," Mr Nicolson said.

Taiwan currently has 33 foreign banks.

This announcement appears as a matter of record only.

Goodman Fielder Limited

through its wholly owned guaranteed subsidiary

Goodman Fielder Industries Ltd.

£150,000,000

Club Loan Facility

Arranged by

Banque Paribas

Singapore Branch

Funds provided by

Fuji International Finance (Australia) Limited
The Sanwa Bank Limited
Commonwealth Bank of Australia
Banque Paribas Belgique S.A.
Banque Bruxelles Lambert S.A.
Generale Bank S.A./N.V.
Kredietbank N.V.
The Saitama Bank Limited
Mitsubishi Bank of Australia Limited
The Mitsubishi Bank Limited

September 1987

PARIBAS

All these securities having been sold, this announcement appears as a matter of record only.

CL

Crédit Lyonnais

£75,000,000

10½ per cent. Notes 1992

Issue Price 101⅛ per cent.

Kleinwort Benson Limited
Crédit Lyonnais
Bankers Trust International Limited
Baring Brothers & Co., Limited
Banque Bruxelles Lambert S.A.
Generale Bank
S.G. Warburg Securities
Banque Internationale à Luxembourg S.A.
Chase Investment Bank
CL-Astaire & Co. Limited
Commerzbank Aktiengesellschaft
County NatWest Limited
Credit Suisse First Boston Limited
Daiwa Europe Limited
EBC Amro Bank Limited
Hambros Bank Limited
LTCB International Limited
Mitsubishi Finance International Limited
Shearson Lehman Brothers International
Swiss Bank Corporation International Limited
Union Bank of Switzerland (Securities) Limited

November 1987

March 31, 1987	in Mios of Luxembourg francs	equivalent in Mios of US$	increase compared to previous year
Total Assets	255,866	6,856	9%
Customers' Deposits	148,968	3,992	9%
Capital, Reserves and Borrowed Capital	10,020	268	15%
Provisions	11,561	310	15%
Net profit	829	22	16%

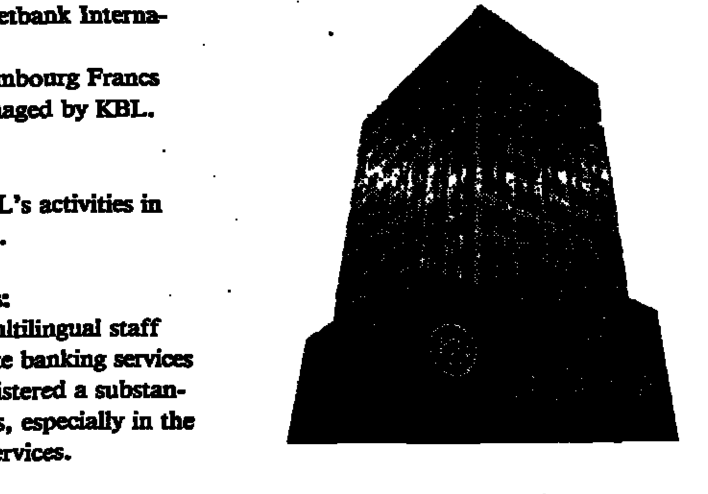
Eurobond Issues:
During fiscal year 1986-1987
383 bond issues and private placements equivalent to US$ 27 billion lead-managed or co-managed by Kredietbank International Group.
105 bond issues in Luxembourg Francs lead-managed or co-managed by KBL.

Euro-Equities Issues:
Strong expansion of KBL's activities in this fast growing market.

Private Banking Services:
Thanks to a dynamic multilingual staff and its expertise in private banking services since 1949, KBL has registered a substantial increase in customers, especially in the portfolio management services.

Listing on the Luxembourg Stock Exchange:
Over 1,600 securities issues already listed through KBL.

Holding Companies:
KBL is domiciling or rendering administrative services to nearly 1,000 holding or other companies.



Financial Servicing:
KBL is acting as paying agent for over 3,000 bond issues representing an equivalent amount of over US$ 200 billion.

Investment Funds:
Specific administrative services for over 65 investment funds provided by KBL's special department.

A Presence in the London Market:
Through the acquisition in June 1986 of a major participation in **Brown Shipley Holdings plc**, London, KBL has intensified its presence in the London market and increased its range of services and its client base.

New Financial Instruments:
Specialized services now available through KBL's new department in swaps, futures and options, euronote and eurocommercial paper.

KBL

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and others in Melbourne, Hong Kong, Mexico, Pretoria and Madrid.

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Belgium

A "Private Banking" brochure which describes KBL's wide range of services for private investors is available in English, French, Dutch and German on request addressed to KBL's Marketing Department.

The annual report is available in English, French, Dutch and German on request addressed to KBL's Documentation Department.

An itemized balance sheet and profit and loss account have been published in the "Memorial-Recueil Spécial des Sociétés et Associations" of the Grand-Duchy of Luxembourg.

Subsidiaries:
Kredietbank (Suisse) S.A.
7, boulevard Georges-Favon
CH-1211 Geneve 11
Switzerland
KB International (Hong Kong) Ltd
16/F The Bank of East Asia Building
10, Des Voeux Road Central
Hong Kong

Associated Company:
Brown Shipley Holdings plc
Founders Court
Lothbury
London EC2R 7HE
United Kingdom

Nalebach Design

Maxwell expands further both sides of Atlantic

BY RAYMOND SNODDY

Mr Robert Maxwell, chairman of Maxwell Communication Corporation, yesterday announced a double acquisition -the purchase of a chain of 36 trade and technical magazines from Mr Cyril Stein's Ladbroke Group for £34.8m and the purchase of his fourth U.S. printing company.

Under the Ladbroke deal finalised yesterday afternoon, Mr Maxwell now owns magazines ranging from Architect's Journal and Insurance News to Factory Equipment News and Electronics Express.

Earlier in the day Mr Maxwell announced he had bought for cash Alco Gravure, a New Jersey printer with six plants across the US, annual sales of $150m and 1,100 employees. Maxwell Communication Corporation claimed the purchase made it the second largest commercial printer in the U.S.

The sale of the magazines grouped under the United Trade Press banner marks the further withdrawal of Mr Stein from the publishing industry. For a time it looked as if Ladbroke was interested in turning publishing into a new core business. Instead Mr Stein decided to add Do It Yourself, through the purchase of Home Charm, to his hotel, property and racing interests.

Mr Stein said yesterday: "The decision to sell UTP reflects a strategy of concentrating our resources on four core business activities all of which are performing outstandingly." He bought an initial 75 per cent interest in UTP for £1.1m in 1983.

Mr Maxwell is paying £17.4m in cash for the Ladbroke's 79 per cent stake in UTP, paying off about £11m in inter-company debt with the balance going mostly to Mr Brian Gilbert, managing director of UTP who held 20 per cent of the magazine group's shares.

Mr Gilbert and his existing directors will continue to run UTP under Mr Maxwell's ownership.

The purchase of Alco, which prints newspaper magazines, catalogues and advertising inserts is Mr Maxwell's fourth printing company purchase in the U.S. in the past 12 months.

Mr James Sullivan, president of Maxwell Communication Corporation in the U.S. said yesterday: "Alco is an excellent fit for Maxwell and perfectly complements our existing network of plants. This acquisition will position us as the nation's second largest commercial printer."

Maxwell already operated 10 printing plants in different parts of the U.S. before yesterday's deal.

The publisher of Mirror Group Newspapers, who earlier this year raised £630m in a rights issue during the aborted attempt to take over publishers Harcourt Brace Jovanovich, is also believed to be in negotiations with a large American publishing company.

Mr Maxwell said recently if the deal went through it would be his largest takeover so far.

Sound Diffusion falls 88%

BY PHILIP COGGAN

Sound Diffusion, electrical equipment leasing group, had more bad news for its shareholders yesterday - first half pre-tax profits were down 88 per cent at £268,000 (£2.27m).

Once again, the company announced its figures late in the day. The first report appeared on TOPIC, the Stock Exchange's screen information system, at 5.06 pm and no one at the company was available to comment.

Last month, Sound Diffusion announced its long-delayed audited figures for 1986 which were 43 per cent lower than the unaudited figures it had announced in June. Auditor Ernst & Whinney insisted that the company take a more cautious approach to the recognition of leasing profits.

At the annual meeting held on Thursday, Ernst & Whinney resigned and Arthur Young will be this year's auditors. The company is still without a stockbroker after Sheppards & Chase resigned in June.

Mr Paul Stonor, chairman, said in the company's brief statement yesterday that the poor results reflected the uncertainty felt by staff and customers alike about the future of the group. "These feelings of uncertainty," the statement said, "have been created as a result of a group of dissident shareholders circularising the Press with rumours of impending takeover bids and other unsettling misinformation."

The statement added: "Given a period free from the recent flow of unsubstantiated comment the morale of the company's staff and customers could be quickly restored."

One takeover rumour which is substantiated is the possibility of a bid from Tunstall Telecom, security equipment company, which has a 4.9 per cent stake. At the AGM, Mr Stonor said there would be good commercial logic for a merger. The two companies are still having discussions.

The first half reduced profits were reported on slightly increased turnover of £19.24m (£17.72m). Earnings per share were down at 0.19p (1.63p).

•comment

No doubt there are good reasons why Sound Diffusion did not report these results at its AGM on Thursday; no doubt there are good reasons why it released these figures so late in the day. However, it is difficult to take on faith a company which has failed to meet its forecasts so often and is so frequently unavailable for comment. Mr Stonor's attitude seems to be that he is the only one in step; Ernst & Whinney is wrong, Sheppards & Chase is wrong, the dissident shareholders are wrong. This attitude might be understandable in the chairman of a go-ahead company, but not of one which has seen a profits drop of 88 per cent. Shareholders who supported him last week may well now be hoping that Tunstall's takeover interest is sustained.

Management buys Microlease

Directors in **Microlease**, USM-quoted electronic equipment leasing company, have succeeded in taking the company private by way of a management buyout. They will announce this morning that shareholders with more than 90 per cent of the company's equity have accepted the offer from a private company set up for the purposes of the buyout.

Rights issue flops now begin to materialise

By Nikki Tait

The collapsing stockmarket claimed its first major rights issue casualty yesterday, as the £44.5m call by T Cowie, the Sunderland-based motor distributor, closed with minimal take-up from shareholders.

A precise figure for the number of shares applied for will be published at 8 am this morning. However, Noble Grossart, Cowie's advisers and underwriters on the issue, said yesterday that they believed the amount would be under 5 per cent of the new shares.

The rights issue flop has been inevitable given the severe downturn in share prices. The new Cowie shares were being offered to shareholders at 159p - a fairly hefty 16 per cent discount to the 190p share price ruling ahead of the rights announcement in late-September. However, Cowie shares - high-fliers in the summer's bull market and showing a quadrupling in price since the beginning of 1987 - have been amongst those most severely hit in the recent collapse. Yesterday, they eased 4p to close at 128p.

Cowie, however, was not the only casualty; two small property companies also suffered. New England Properties saw only 47 per cent of its £5.1m issue taken up, while Helical Bar reported that only 2 per cent of its £18.3m convertible preference share placing had clawed back by existing shareholders under the open offer provision. Rex Williams, the snooker group, fared more happily, seeing almost 93 per cent of its £2.2m cash call at 40p taken up.

Later this week, more victims look likley - amongst these closing over the next days are Ladbroke's £254m call and Kleinwort Benson's £143m rights.

Third Mile ahead

Taxable profits of Third Mile Investment, special situation investment dealer, more than doubled to £245,162 in the half-year to end-June 1987. Group turnover showed a comparable increase to £1.61m (£759,726).

After tax of £70,000 (£12,000), earnings per share came out at 7.3p against 4.39p last time. The interim dividend is raised to 1.25p (1p).

Clay Harris looks at ABF's options over its bid for Berisford

Keeping tabs on the escape routes

ASSOCIATED BRITISH Foods may have cold feet over a cash bid for S&W Berisford which looks increasingly expensive in the light of the market crash, but its possible escape routes are unlikely to involve dipping its toe into new waters.

The most likely outcome, that ABF will pull out on Thursday if it fails to reach 90 per cent acceptances, has a distinguished but not altogether happy precedent. In June 1985, the specially created Bristow Rotorcraft withdrew its bid for Westland, the helicopter company, despite gaining the support of 57.7 per cent of shareholders.

Bristow claimed that it had discovered a more serious financial situation at Westland than it had expected. The withdrawal was a prelude to the bitter industrial and political fight over Westland the following winter.

But assuming that the bid proceeds beyond Thursday, the adjournment of today's extraordinary general meeting gives ABF another escape clause - and indeed a one-way bet, as Berisford's advisers were pointing out last night.

Even on the unlikely possibility that 100 per cent of Berisford shareholders accept the cash offer - which yesterday was worth 27 per cent more than Berisford's market price - ABF cannot complete the bid until its own shareholders approve.

It has given itself another three weeks to watch the market price and - indeed - to discover more about Berisford, which has promised to produce a 1986-87 profits estimate by mid-November. It still could walk away, citing "adverse material change" or directors' fiduciary duties as TI Group did last week when it dropped an agreed US acquisition.

An illustration of the sort of change which could be cited as "material" was the delay announced earlier yesterday in completion of Berisford's cocoa-processing joint venture with W.R. Grace of the US at least until November 20.

Limits on the price at which £32m in Berisford shares will be issued to Grace in partial payment were removed and either party will be free not to proceed with the deal.

ABF's decision leaves Berisford shareholders in a quandary. If they tender their shares to ABF this week, and the offer is then withdrawn, they will not have possession of their shares to be able to respond to subsequent price movements. Berisford last night was preparing to complain to the Takeover Panel.

One prospect probably not available to ABF is to reduce its offer price. This was allowed in February, when APV Holdings and Baker Perkins, the engineering companies, adjusted the terms of their agreed merger after the latter discovered unexpected cost overruns in one of its food machinery divisions.

But the panel would not countenance a reduced offer unless ABF and Berisford jointly approached it. If ABF withdraws the current bid, it will have to wait another 12 months to try again. Much depends on whether Mr Garry Weston is willing to pay the current price to get his hands on British Sugar now or wait a year on the chance he will get it cheaper.

See Lex

Profits top £82m at six months

Associated British Foods, the milling and baking group bidding for S&W Berisford, increased interim pre-tax profits to £82.7m, an improvement of 14.5 per cent over last time's £72.2m, but earnings per share were unchanged at 11.4p.

The results were below some market expectations. ABF shares, which had been trading above Friday's close even after the company's separate announcement about the Berisford bid, lost 14p to 296p.

Excluding ABF Investments, which the group sold in June 1986, pre-tax profit rose by 20.7 per cent to £50.8m (£42.1m) in the six months to September 26. On the same basis, turnover rose by about 6 per cent to £1.07bn (£1.01bn).

Investment income of £31.9m compared with the £30.1 total, including ABF Investments profits, last year. The total tax charge rose to £30.3m (£25.8m). The interim dividend is increased to 2.5p (2.2p).

ABF said that its main manufacturing divisions had made a satisfactory start to the year, and good progress continued to be reported from some smaller companies operating in more recently developed areas, including food ingredients, starch and frozen food.

Although it was confident that trading divisions in the UK and overseas would increase profits, ABF said it was difficult to make any forecast until the outcome of the Berisford bid was known.

Acquisitions boost Burgess to £8.23m

BOOSTED BY acquisition **Burgess Group**, Hinckley-based precision electronics company, reported record profits for the year to August 1 1987. The present year has started with strong order books and further growth is expected.

On turnover up 59 per cent to £74.05m, against an adjusted £46.66m, pre-tax profits rose 36 per cent from £6.07m to £8.23m. The figures included a whole year's contribution from American Electronic Components, acquired in July and merger accounted, and 4½ months trading profits from Saia, acquired in January.

Earnings per share increased to 19.3p (16p) and the directors are proposing a final dividend of 2.375p (2p), making a total for the year of 3.125p (2.5p) on the bigger share capital. Mr Bob Morton, chairman, said that the acquisition of Saia and the merger with AEC provided increased manufacturing and technological resources and new products which would ensure organic growth for the foreseeable future.

He added that the new automated assembly line for microswitches in Gateshead was complete and planned automation of assembly in the UK and Germany would contribute significantly to improvements in performance in the present year.

Growth by acquisition may be curtailed or delayed because of the prevailing stock market conditions. Resources would be used to maximise the profitability and growth of existing operations.

Mr Morton said that the company had unused borrowing facilities of more than £6m.

During the period under review the micro-switch division increased trading and profits by about 20 per cent with sales to the German automotive industry at record levels. The North American businesses improved despite intense competition and the rising pound, said Mr Morton.

The coin validation offshoot made modest progress but was strongly-based to capitalise on recent product development.

•comment

Stripping out the £3m contribution from the merger-accounted AEC, yesterday's figures from Burgess were exactly in line with the forecast of £5m pre-tax profits made at the time of the merger. When the forecast was made, only six weeks ago, the shares rose 30p to 372p - but that was on the other side of the market crash, and yesterday the shares edged 5p down - to 218p. With a third of its turnover coming from the US as a result of the AEC deal, Burgess has been exposed to the full brunt of anti-US sentiment. However, the reasons for the merger remain as compelling as ever - to place Saia and Burgess products in hitherto untapped US markets, and AEC products in European markets, and the derating seems unjustified. As the company's market share is small on both sides of the Atlantic, synergistic benefits should outweigh a fall in the dollar, even a shrinking US economy. If the fast-growing Burgess makes £12m in the current year, the shares are on an undemanding prospective p/e of 9¾.

Blue Arrow buying IPS

Blue Arrow, the employment agency which recently trebled its size through the $1.3bn acquisition of the US group Manpower, is buying recruitment agency IPS for a combination of shares and cash.

IPS specialises in providing permanent and temporary personnel to the insurance industry. It is costing Blue Arrow rather less than its US acquisition - the initial consideration will be just £800,000 in a mixture of cash and shares.

Last year IPS made pre-tax profits of £181,000 on turnover of £1.38m and extra consideration will be payable dependent on future profits.

The share price of Blue Arrow has suffered more than most in recent months as the market has absorbed a five-for-two rights issue and the impact of October's crash. Yesterday, it closed at 104p, compared with the 227.5p it touched earlier this year.

Chase confirms writs

CHASE MANHATTAN Securities confirmed yesterday that writs had been issued against Mr Ivor Goodman, former chairman of Unigroup, the timber, building and clothing group, and Miss Linda Fitzgerald, alleging breaches of insider trading rules, conspiracy and misrepresentation, and claiming damages.

The writ, seeking an injunction against the defendants, relates to allegations that Mr Goodman gave his Unigroup shares to Miss Fitzgerald, and that the shares were subsequently sold and ended up at Chase Manhattan Securities, broker to Unigroup, just prior to a scheduled release of the company's profit figures.

Stock exchange rules prohibit directors from dealing in shares of a company for two months prior to publication of results.

The injunction would restrain the defendants from acting to complete sale of the Unigroup shares to Chase Manhattan Securities.

Swindon Hospital rises

THE USM-quoted **Swindon Private Hospital** is now consistently achieving profitable levels of occupancy, the board said yesterday as the company announced increased pre-tax profits of £156,000 for the year to July 31 1987 compared with £46,000 in the previous year.

Turnover was £1.88m (£1.63m) with gross profit at £918,000 (£824,000). Operating expenses came to £805,000 (£568,000), other operating income £13,000 (nil) and interest payable $170,000 (£210,000). Tax accounted for £35,000 (nil).

While the board does not anticipate dramatic increases in profitability in the future, it is confident of continuing satisfactory progress.

Cray in £8m acquisition

BY CLAY HARRIS

Cray Electronic Holdings, the defence and telecommunications contractor, is to pay up to £8m for Lloyd Instruments, a manufacturer of materials-testing and electrical teaching machines.

In the year to April 30, Lloyd reported group pre-tax profits of £44,386 on turnover of about £6m. This reflected, however, changes at the company after the management buy-in. The underlying level of profits is believed to be closer to £500,000.

Cray will pay an initial £5.65m in cash and about £300,000 in shares. Additionally, up to £2.06m in shares will be issued based on profits in the three years to April 1990.

Bridgend sees recovery

MR NEIL LIST, chairman of the **Bridgend Group**, told shareholders yesterday that the reconstruction programme undertaken to restore profitability and improve the company's financial position was well advanced.

He said the last few months had seen the planned reorganisation which would enable Bridgend to discontinue all motor distribution activities and concentrate on the profitable security and electrical wholesaling businesses and strengthen its balance sheet materially.

For the six months to end-June 1987, turnover declined to £16.05m (£17.05m). At the pre-tax level profits totalled £120,000 against £130,000 at the half-way stage last year. However, the second six months of 1986 saw the group run up a loss of £486,000.

First half earnings worked through at a same-again 0.84p and the interim dividend is maintained at 0.2p.

The group has entered an agreement with Leyland-DAF which will result in the termination at the end of this month of its two remaining commercial franchises in the north-west.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres - ponding div	Total for year	Total last year
Ass. Brit. Foods......int	2.5	Feb 29	2.2	-	7.3
Bridgend ....int	0.2	Jan 12	0.2	-	0.2
Burgess Group ....fin	2.38†	-	2	3.13	2.5
Celerell ....int	2.64	Jan 11	2.3	-	5.75
Craig & Rose ....int	2	-	2‡	-	12.25‡
Hunting Assocd. ...int	4♠	Dec 29	3.2*	-	7.2*
Third Mile ....int	1.25	Dec 2	1	-	3
TR Industrial ....int	0.8	Dec 15	0.75*	-*	2.2
Unit GroupØ ....int	1.25	Jan 3	-	-	1.15

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. §Unquoted stock. ØThird market. ‡Corrected to reflect scrip adjustment. ♠Carries scrip option. *Final not less than 1.45p forecast.

Abaco acquisitions policy

BY STEVEN BUTLER

MR TIM Razzall, chairman of the fast-growing financial services group **Abaco**, told shareholders at the company's annual general meeting that the underlying profitability of Abaco's business would be unaffected by the crash of the stock market.

The company's shares have fallen from a peak of 123p on October 8, to 68p yesterday. The price, however, had been run up sharply since mid-August and the shares are still above the year's low of 58.5p.

Company news in brief

CRAIG & ROSE (paint maker) made turnover of £2.33m in first half of 1987 (£2.44m) and pre-tax profit £34,000 (£43,000). Earnings per share 6.2p (8.2p) and interim dividend 2p (same adjusting for scrip).

JERSEY GENERAL Investment Trust-Wholly owned subsidiary, Broad Street Investments (Jersey) has sold the freehold properties at 19 and 21 Broad Street, St Helier for £3.25m gross.

UNITED NEWSPAPERS subsidiary Morgan Grampian has paid £2.2m cash for Dewberry Publication Services which publishes Catering, a monthly magazine. Also US subsidiary PSN Publications has paid $1.28m for monthly trade magazine Television Broadcast.

AAH has acquired JMF Supplies for £1.88m, of which £1.7m has been satisfied by the issue to the vendors of 485,718 AAH ordinary shares and the balance in cash.

SABRE VII Limited
U.S.$50,000,000
Floating Rate Secured Notes due 1992
For the 6 months period 29th October, 1987 to 29th April, 1988 the Notes will bear the rate of interest at 8.125% per annum. US$41,302.08 will be payable from 29th April, 1988 per US$1,000,000 principal amount of Notes.
Yamaichi International (Europe) Limited
Agent Bank

Knight Frank & Rutley

Hudson Conway

have invested £20 million in

Sibec Developments Ltd

in return for an initial

43% equity share

Knight Frank & Rutley introduced the parties and provided valuation advice to Hudson Conway

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Big Bang boosts Smith New Court by 88% to £10m
Sparkling SNC
New Court plans to ra
Going nuts o
Reigning supreme in the New Cou
SNC's Beta builder
STILL KING
Smith takes a £120m option
Crisp Smith's
Exper

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Coloroll surges: expansion halted

BY FIONA THOMPSON

Coloroll, the acquisitive and fast-growing home furnishings group, yesterday reported half year profits more than trebled and a complete halt on further expansion in the aftermath of the stock market crash.

For the six months to September 30, 1987, the company made pre-tax profits of £11.2m, against £3.5m, on sales strongly ahead at £124.4m, compared with £44.4m in the same period last year.

"Last Friday we ripped up our strategic plans and prepared a new action plan for the next 18 months," Mr John Ashcroft, the chairman and chief executive said.

"The whistle has gone on acquisitions. We are extremely fortunate that we have a low exposure to the US - less than 20 per cent of sales and profits."

The company will now concentrate on building up its existing activities - "we plan to eliminate gearing in the next 12 months" - and is switching away from its previous emphasis on building strategic stakes in home furnishings businesses in the UK and US.

Coloroll has set aside £4.67m against anticipated losses in the value of holdings it has in takeover targets, especially in the US, though Mr Ashcroft said these were not realised losses and the extent of the write-down had been "very, very conservative."

A large part of the strong growth shown in the six months was due to acquisitions, UK wallcoverings alone of the five main divisions showing no purchases.

An exceptional credit of £634,000 was due to property development profits. An £878,000 extraordinary debit comprised the £3.79m gain arising from disposal of the packaging division less the £4.67m provision for anticipated losses on quoted investments.

Earnings per share rose to 8.3p from 6.4p and an interim dividend of 2.64p (2.3p) is being paid.

•comment

John Ashcroft said recently Coloroll's long-term objective was for a UK/US axis with up to 40 per cent of earnings coming from North America. The past two weeks have turned that policy on its head. The company has shelved much-hinted-at plans for a big US acquisition and overnight changed its strategic plan to one of organic growth, gaining praise for moving so quickly. While yesterday's figures were ahead of expectations - the company is increasing its market share and is clearly getting to grips with the businesses acquired in terms of boosting sales - acquisitions have been a crucial part of growth, and if inhibited, growth will probably slow. The shares closed 1p off yesterday at 229p. Assuming pre-tax profits for the full year of £28m, that puts them on a prospective p/e of about 11.

TRNR and Platou still talking on assets value

By Mike Smith

TR Natural Resources, a Touche Remnant investment trust, said yesterday that it had failed to reach agreement on a Formula Asset Value for its shares with Platou, the Norwegian company which last month won a bid for control of the trust.

The two companies had hoped to agree on an FAV by last Saturday, a fortnight after the bid was declared unconditional as to acceptances. Platou said, however, that it was seeking more information on the trust's unquoted investments, "one or two of which look a bit expensive."

Both it and TRNR expect to reach a deal by the end of this week. The gap between their figures is less than ½p, with Platou's "provisional calculation" at 109.61p and TRNR's estimate at 110.04p.

On the basis of Platou's estimate TRNR shareholders who accepted the cash offer would be entitled to 102.04p for each share. Those who accepted the share offer would be entitled to three new Platou shares and £227.41 in cash for every 1,000 TRNR.

Following the close of the offer last Saturday, Platou will control 52.97 per cent of the trust.

Hunting Inds. sustains growth with £7m midway

THE FORECAST of further profit growth at **Hunting Associated Industries** is being met with an upsurge from £4m to £7.13m at the pre-tax level for the first half of 1987.

And the second half looked promising, the directors stated. Results should show an improvement over the first half helped to a small extent by contribution from Metair Aircraft Equipment, acquired in June. The 1986 group profit was £11.8m.

Basic earnings worked through at 28.4p (15.3p) and fully diluted at 22.9p (13.1p). The directors are confident that the year's dividend will be maintained at 9p on capital increased by the 1-for-4 scrip, and the interim rate is again 4p-an effective rise of 0.8p-and carries a scrip option.

Turnover in the half year rose 12.4 per cent to £166m, and trading profit increased 32 per cent to £7m. This was backed up by a substantial cut in interest charges to £665,000 (£2.1m), helping to push up the pre-tax profit by 77 per cent.

Growth in turnover arose in the defence and engineering activities. Profitability also continued to increase, partly reflecting significantly lower development cost write-offs.

Aviation support businesses in the UK, Canada and South Africa all increased their contributions.

Profits were now being earned by Hunting Technical Services, while the Leach Group continued with its worthwhile contribution, resulting in a profit from the resource survey and photography business area, compared to significant losses last year.

In the composite business, however, a loss was suffered. There were reduced opportunities in the Middle East and a turndown in the UK, coupled with additional investment in new product areas.

•comment

With the JP233 contract underway and the anti-tank system set to come on stream next year, Hunting has secured its future for the next few years and can afford to view the ups and downs of its other divisions with equanimity. Down payments on the JP233 were enough to cause a £1.4m drop in the interest charge - responsible for around half the pre-tax profits improvement. On balance, the non-defence businesses were a boon this time with the slimming-down of the surveys division causing a turnround of about £750,000 and the aviation support side performing well. Those two factors offset a £500,000 downturn in composites. The overall result was encouraging enough to allow the shares to climb 30p to 470p; assuming £16.5m for the full year that leaves them on a fully-diluted prospective p/e of 11. In less turbulent times, that would look a modest rating.

TRIG 'happy' with UK bias

BY NIKKI TAIT

TR Industrial and General Trust, the largest investment trust in the 11-strong Touche Remnant stable, yesterday reported a 16.2 per cent increase in net asset backing during the six months to end-September, at 179.6p a share.

That figure has been overtaken by market events since the half-year end. However, the company added yesterday that the trust increased its UK exposure during the period and had about 60 per cent of assets invested in the domestic market. Another 20 per cent was held in the States with 10 per cent in Europe and a further 10 per cent in Japan. Hong Kong accounted for les than 1 per cent of assets.

Interim figures showed an increase in total revenue from £9.72m to £11.79m. But a jump in debenture interest from £250,000 to £1.85m left revenue before tax little changed at £7.78m (£7.58m).

The interim dividend goes up from 0.75p to 0.8p and the company forecasts a final of not less than 1.45p, the amount paid in the year to March 1987.

•comment

Wood Mackenzie estimates for current nav at TR Industrial and General suggest around 131p a share. If so, the discount has now widened to 17.5 per cent - compared with as little 8 per cent in the wake of rumours that Mr Robert Maxwell planned to use the trust as a vehicle for a disguised rights issue and 9.3 per cent immediately ahead of Black Monday. The current figure is slightly below discount for the non-specialist investment trusts overall, and some 4 percentage points lower than the discount at other large general funds - Globe, for example. The better rating, however, can be amply justified by recent Coal Board Pension Fund purchasing - nudging its stake over 27 per cent - and by the current situation surrounding Touche Remnant and its various trusts. Certainly, the portfolio itself looks as soundly-based as any - given the circumstances.

Ests & Gen sells housebuilder

Estates and General Investments has made a £1m profit on the disposal of the housebuilding business it acquired in March as part of its £3.7m purchase of Site Improvements.

Yesterday, Estates announced that it had secured £4.1m from the sale of Site Developments, the housebuilding company, to McHawk, a company owned jointly by Speyhawk and Alfred McAlpine Homes.

Estates bought Site Improvements principally for its £8.9m commercial property portfolio.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetables.

TODAY

Interims- Hambros Investment Trust, York Mount.

Finals- Cramphorn, Rosehaugh.

FUTURE DATES

Interims-

Amber Industrial	Nov 5
Atlantic Resources	Nov 4
Case Group	Nov 13
Ellis & Goldstein	Nov 11
External Investment Tst	Nov 11
Gieves	Nov 5
Great Portland Estates	Nov 11
Oxford Instruments	Nov 12

Finals-

Bellway	Nov 12
Entertainment Production	•
Services	Nov 9
Northern American Trust	Nov 24
Tomkinsons	Nov 17
UDO Holdings	Nov 9

Japan Assets Trust

Japan Assets Trust, investment trust, boosted net asset value per basic share to 94.8p at the end of the 12 months to September 30 compared with 86.9p on the same date in 1986.

The directors proposed an unchanged final dividend of 0.05p.

Ransomes' £3.8m sale

BY PHILIP COGGAN

Ransomes Sims and Jefferies, the lawnmower manufacturer, is selling its farm machinery business to **Electrolux**, the Swedish white goods group, for £3.8m cash.

The divestment follows years of declining profits at the subsidiary, reflecting the problems of the agricultural sector. RSJ said that the division had not made an adequate return for some time and was expected to make a small loss this year.

RSJ will continue to manufacture the machinery on behalf of Electrolux for a two year transitional period, until December 1989 when the Swedish group will assume responsibility for manufacture. The transition will allow RSJ to redeploy its manufacturing resources.

Nevertheless, a write-down of stock and expected reorganisation costs will mean that the net effect of the sale will be a £2.9m extraordinary charge in RSJ's 1987 accounts.

ECT postpones market launch

BY DAVID THOMAS

ECT Cellular, the first group aiming for a flotation on the back of the booming UK cellular telephone market, has had to postpone its plans because of the stock market crash.

ECT, a London-based cellular equipment and service provider, intended to join the USM later this month by floating 15 per cent of the company to raise £4m.

However, Mr Marc Albert, ECT managing director who at present owns 85 per cent of the company, said the stock-market crash would almost certainly force a postponement of the flotation until the first quarter of next year.

The company remains committed to seeking a flotation in order to fund expansion plans, including the acquisition of smaller cellular service providers. Previous acquisitions have helped ECT boost its cellular subscriber base to about 10,000.

The group is forecasting profits of £1.5-£1.6m on sales of £18-£20m in the year ending March 1988 and profits of £2-£2.3m on turnover of £30-£35m in the following year.

Share Stakes

The following changes in shares stakes were reported during the past week:

Tranwood Group — Mr G.J. Chalk, a director, sold 100,000 ordinary and now holds 650,000.

Stanley Leisure Organisation — Mr L. Steinberg, director and chairman, bought 100,000 ordinary.

Brown & Jackson — Directors C.J. Bailey and B.S. Duffy each purchased 232,500 ordinary. Mrs C.E. Duffy, wife of B.S. Duffy, purchased 25,000 ordinary.

Acatos & Hutcheson — Mr I.S. Hutcheson exercised his option over 218,750 shares.

Falcon Industries — Mr M.W. Hindmarch, chairman and managing director, purchased 25,000 ordinary and now holds 4,072,142 (12.63 per cent).

City of Edinburgh Life Assurance — Edinburgh Financial Trust increased its holding from 28 per cent to 41 per cent. EFT and clients of MIM now hold 54 per cent of the share capital.

NOTICE OF EARLY REDEMPTION

IRELAND

U.S.$50,000,000
FLOATING RATE NOTES
DUE 1990

Notice is hereby given that in accordance with Clause 5 (B) of the Terms and Conditions of the above Notes, The Republic of Ireland has elected to redeem all of the outstanding Notes at par on the next interest payment date 21st December, 1987, when interest on the Notes will cease to accrue.

Repayment of principal will be made upon presentation and surrender of the Notes with all unmatured Coupons attached, at the offices of any of The Paying Agents mentioned thereon.

Accrued interest due on 21st December, 1987 will be paid in the normal manner against presentation of Coupon No. 14.

The Sumitomo Bank, Limited
Fiscal and Paying Agent

SOCIÉTÉ GÉNÉRALE
FIRST HALF 1987 CONSOLIDATED RESULTS

Net income (Group share): 1,202 million FRF, i.e. 52.2% of 1986 net income. First half non-recurring capital gains are not included in this figure, whereas they amounted to 37.9% of 1986 net income.

Net banking income: 14,158 million FRF, i.e. 51.2% of the total 1986 net banking income. This increase is mainly due to further growth of our activity in the individual customers market. From 30 June 1986 to 30 June 1987, average deposits by individual customers with the Parent Company increased by 14.1%. Average loans outstanding were up 29% in the same period.

Operating expenses: 9,201 million FRF, i.e. 52.5% of 1986 amount. Parent Company operating expenses, which include non-recurring expenses due to our privatisation, increased 3.2% (in the same period, the inflation rate was 3.4%).

Gross operating income: 4,957 million FRF, i.e. 49.2% of the 1986 figure.

First half 1987 report will be available, upon demand, beginning of november.

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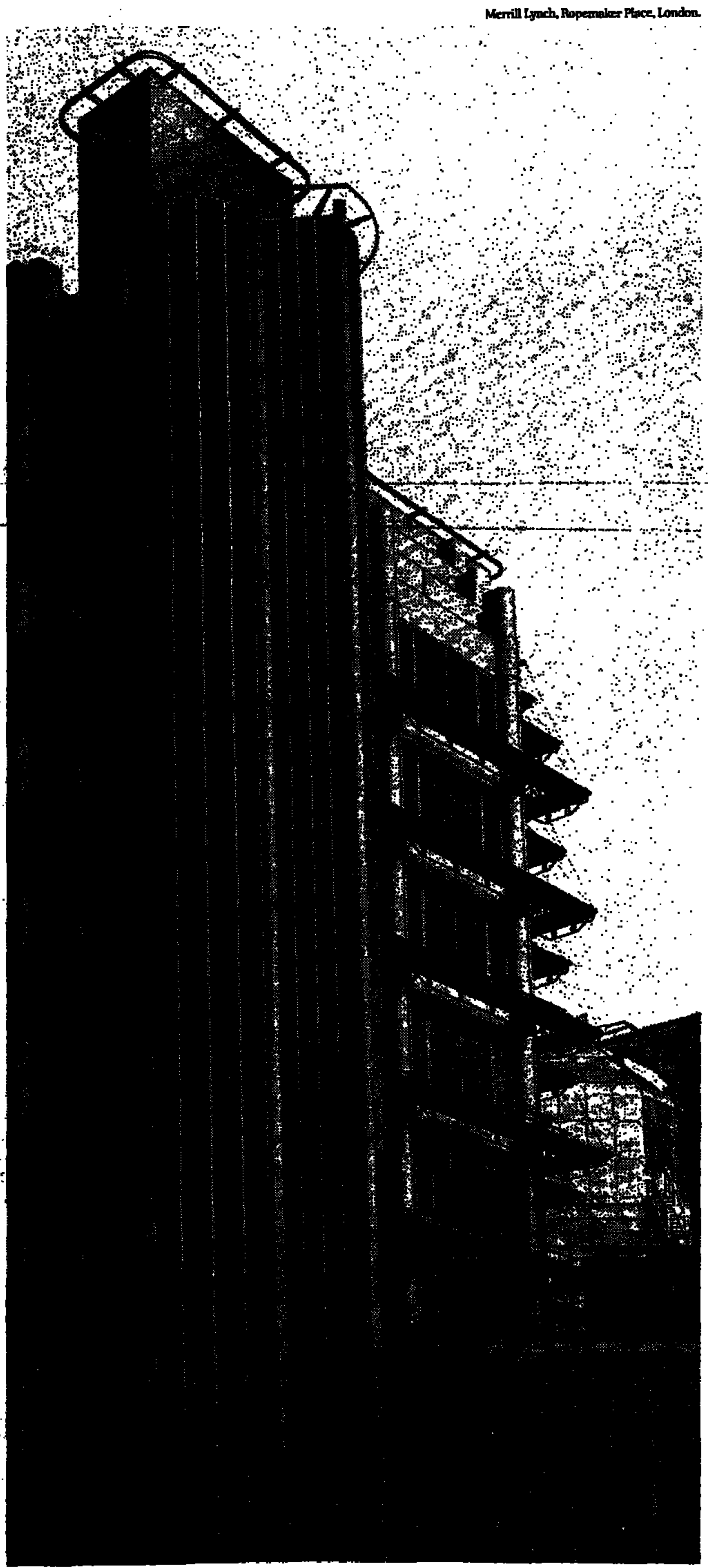
Merrill Lynch, Ropemaker Place, London.



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Pict cuts loss and is 'well placed' for growth

BY LUCY KELLAWAY

Pict Petroleum, small UK oil independent controlled by Amerada Hess, US oil company, cut its net loss to £102,000 in the year to June from £3.2m in 1986.

However the trading position worsened slightly with operating profit of £267,000, against £396,000 last year. The improvement overall reflected a heavy asset write-down in 1986, which was not repeated last year, and a lower exploration charge.

Turnover was down at £1.51m (£2.33m) and the loss per share for this USM-quoted company came out at 0.79p (37.03p).

In a confident statement Mr William Grassick, who became chairman earlier this year, said that following the introduction of Amerada Hess as a large minority shareholder, Pict was well placed to become a strong independent oil company.

In the short term he said that the chief aim was to establish a positive cash flow and to pursue exploration opportunities with a risk/reward balance suited to Pict's size. Following an asset swap with Elf last year, Pict expanded its onshore interests in the UK, and the company said that it intended to broaden its onshore acreage internationally.

Mr Grassick yesterday called on the Government to amend the tax system so that onshore exploration costs could be offset against Petroleum Revenue Tax, and to repay Advance PRT, which would increase Pict's cash flow by £550,000.

•comment

Hope is not a commodity priced highly in such edgy markets, and Pict's share price has suffered particularly badly in the last fortnight as all the speculative talk of new discoveries has been knocked out of it. What is left is a small independent with small interests in small plays with the comfort of a large shareholder no doubt prepared to step in should Pict fall on hard times again. Even though eventually Amerada may do the tidy thing and buy the rest of Pict, the present position may last for some time, as Amerada apparently has no appetite for a hostile battle, and in any case if it wanted the whole company it would have bought it in one go last year. While Pict has participated in some of better onshore UK licences, discoveries have been small, and even if the Government changes the unfair onshore tax system the effect on Pict would initially be modest. The North Sea discovery of the Waverley field offers more immediate promise, although it is at least partially reflected in yesterday's share price, unchanged at 52p.

A. Cohen lifts midway profit to £1.32m

Despite some unfavourable currency movements and tax changes, **A. Cohen** improved its midway profit and said prospects for the full year remained good.

The interim dividend is lifted to 4.1p (3.7p) from earnings up to 36.32p (32.66p). The previous final was 8.4p.

Turnover of this non-ferrous metal ingot manufacturer rose from £24.23m to £25.93m in the half year, while the profit moved up 6.5 per cent to £1.32m (£1.24m). Tax cost £643,000 (£517,000).

Hawley conversion closed

Hawley Group, the international services company, has closed its offer for early conversion of sterling-denominated preference shares after receiving acceptances from holders of about 47 per cent of the issue.

The offer was launched before the stock market crash, which removed much of the attraction of the better conversion terms which Hawley was offering. As a result of the decline in Hawley's ordinary shares, the terms gave holders no capital uplift by the close of the offer compared with 11.4 per cent - intended to offset the 33 per cent fall in income - when it was announced.

Hawley nevertheless succeeded in reducing the size of the only remaining sterling-denominated primary obligation in its balance sheet. Registered in Bermuda, Hawley reports in US dollars, the currency in which 75 per cent of its revenues are based following the acquisition of ADT.

Burtonwood

In last Friday's FT, it was incorrectly stated that **Burtonwood Brewery** was recently the subject of an abortive bid approach from Midsummer Leisure. In fact Midsummer made the approach to Boddington Group.

QUARTO GROUP : Acceptances were received for a total of 1,804,303 new shares (94.9 per cent) in respect of the recent issue.

Unit rises by 25% in first half

Unit Group raised pre-tax profits by 25 per cent from £288,000 to £360,000 on turnover up from £6.54m to £8.11m for the six months to September 30 1987.

The Warrington-based manufacturer of timber pallets, which joined the Third Market in January, declared its first interim dividend of 1.25p. The directors said yesterday that they intend to pay a final dividend of at least 3.75p. After tax of £28,000 (£11,000) earnings per share came to 8.2p (9.9p).

Mr Philip Davies, chairman, said that the company had consolidated its leading position in the UK timber pallet production industry with output reaching record levels. The company's first automated assembly line was now complete and operating at levels of production beyond initial expectations.

Govett Strategic in restructuring moves

Govett Strategic Investment Trust, part of the John Govett stable, has sold its entire holding in DRG, the paper and packaging group, together with interests in Crescent Japan and New Tokyo Investment Trust, two Far Eastern-based fund.

The DRG stake amounted to just over 5 per cent of the company's equity and was sold through the market. Since the market plunge started, managers say they have been obliged to restructure the trust in the light of its borrowing commitments.

In addition to the DRG disposal, a 20 per cent interest in Lep Group has been sold as has a near 11 per cent stake in Fleming Mercantile Investment Trust.

David Lascelles on Kleinwort Benson's global manoeuvres

Banking on an international status

LESS THAN three weeks before Wall Street crashed, Mr Michael Hawkes, chairman of Kleinwort Benson, the UK merchant bank, held a big reception at the top of the Pan Am building to celebrate the opening of its new New York dealing room with 80 positions.

The timing was unfortunate, but Kleinwort claims to be undeterred: the new facility is a key part of its plan to become an investment bank of international stature. Evidently this plan has now sufficiently impressed Sumitomo Life to warrant the acquisition of a stake of up to 2 per cent.

Kleinwort has been making a big effort to claim a place on the global stage.

In London it has a strong traditional merchant banking base along with the securities business of Grieveson Grant, the stockbroking firm it bought for Big Bang, and these are being expanded internationally. Its US operations include a financial futures business and Treasury bond dealership (the only one owned by a UK merchant bank). In Japan it has 150 people researching Japanese stocks and selling international securities. The group has recently raised more than £300m in debt and equity capital, increasing its total financial resources by a third to over £800m.

But while this has the makings of a global network, Kleinwort speaks cautiously about its ambitions. "I am hesitant to say that Kleinwort is a global player, but these markets are very important to us," says Mr Jonathan Agnew, who is in overall charge of the group's securities activities.

As a group, Kleinwort's services span securities, banking, corporate finance, bullion and fund management. The US is Kleinwort's biggest overseas market where, apart from securities dealing, it also does corporate finance, swaps, and straightforward lending (though for regulatory reasons this has to be booked in London).

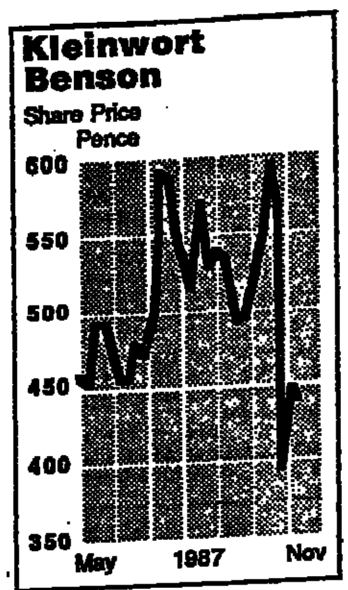
Michael Hawkes, chairman of Kleinwort Benson

The New York dealing room deals primarily in American Depositary Receipts, the form in which foreign equities are traded on the US market. It also conducts research, and aids Kleinwort's sales of US stocks to foreign investors.

"Our aim is to become a successful, significant US investment bank, more than just a branch of London," says Mr Nigel MacEwan, president of Kleinwort Benson Inc., who joined the group from Merrill Lynch in July.

But Kleinwort has held back from making markets in US stocks for the time being. "It would be like taking coals to Newcastle," says Mr Charles Hue-Williams, who is in charge of market making.

Kleinwort sees its natural US market among the country's smaller and more specialised companies, both for securities services and lending, away from the full force of Wall Street competition. It has also handled several of the US acquisitions made by UK companies in the great American expansion boom. However it scored a major coup by winning the business for the sale of Avis Europe, a complex buy-out deal worth $1.75bn. Kleinwort has made a speciality of financing buy-outs where it estimates it can earn total returns of 35 per cent. Its total US loan book is about $1.5bn



Although Kleinwort's Japanese operations are more narrowly based, they are in some respects more developed. The group has just started making markets in Japanese stocks, and has appointed its first Japanese director, Mr Hiroaki Yamataka.

Mr Michael Shortt, who is in charge of Japanese equities, says Kleinwort is stressing the quality of its research to win new business both in Japan and abroad.

He says his group earns a sizeable proportion of its money by selling Japanese stocks to Japanese institutions, in competition with the giant Tokyo houses. "We think Japanese institutions like a western perspective", he says.

Kleinwort also deals in Japanese government stocks, but has no plans to get into the banking business in Japan because of the toughness of the competition.

Although Tokyo and New York represent the main centres of the group's international expansion, the European market is also an important source of corporate finance and banking business, in particular France where Kleinwort has advised on several privatisations including Saint-Gobain and CCF.

Kleinwort is striving to be realistic about what it can achieve in the global markets, but some of its competitors have questioned its ability to hold its own. The weaknesses most frequently mentioned are its "laid back" approach, its failure to get its back office properly organised after Big Bang, and the relative smallness of its capital base.

Kleinwort has certainly taken longer to shake off the gentlemanly merchant banking style of the past, though it has made some bold moves, like buying a US bond dealer before such a thing became fashionable. The management also claims that a new aggressive, skilled generation is rapidly coming to the fore.

Despite the recent infusion of funds, Kleinwort is only as big as the smaller of the Wall Street investment banks, and certainly not in a position to slug it out with the giants even if it planned to do so. But Kleinwort hopes to survive partly on its wits, and partly by avoiding big slugging matches.

"We don't need all that much capital," said Mr David Clementi, who is in charge of the equities operations. "We're not going to take on everyone. We want our fair share of capital flows."

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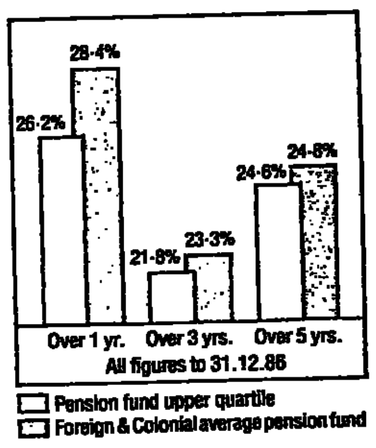

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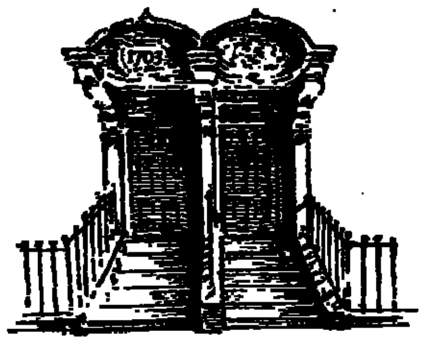
Foreign & Colonial

Pensions



1 Laurence Pountney Hill, London EC4R 0BA. Telephone Heather Roberts on 01-623 4680.

Associated British Foods

Half Year Progress Report

	Six months to 26 September 1987* £ million	Six months to 27 September 1986* £ million	Year to 28 March 1987 £ million
Turnover – excluding ABF Investments Group	**1,068.0**	1,006.0	2,202.0
Trading surplus	**53.4**	45.8	120.1
Interest payable	**2.6**	3.7	8.0
Group profit – excluding ABF Investments Group	**50.8**	42.1	112.1
Investment income	**31.9**	22.2	70.5
Profits of ABF Investments Group	—	7.9	7.9
Profit on ordinary activities before tax	**82.7**	72.2	190.5
United Kingdom tax	**19.7**	16.2	41.5
Overseas tax	**10.6**	9.6	22.6
Profit on ordinary activities after tax	**52.4**	46.4	126.4
Minority interests	**1.6**	1.0	2.2
Profit on ordinary activities attributable to the company	**50.8**	45.4	124.2
Extraordinary items	**1.7**	2.2	327.2
	52.5	47.6	451.4
Ordinary dividends 1st Interim	**11.2**	8.8	8.8
2nd Interim	—	—	22.8
Earnings per share before extraordinary items	**11.4p**	11.4p	30.3p

**Half year figures unaudited.*

Note: Our interest in ABF Investments, which included Fine Fare, was sold last year on 27 June 1986. The results of ABF Investments for the three months have been excluded from the turnover and group profit for last year in order to facilitate comparisons with the continuing activities of the group.

The Chairman, Mr. GARRY WESTON, reports:

Profits before tax for the period increased by £10.5 million or 15 per cent to £82.7 million. After providing for taxation and minority interests the profit attributable to the company for the half year is £50.8 million, an increase of 12 per cent.

Worldwide sales of the continuing activities of the group following the sale of ABF Investments in June 1986 increased by £62 million or 6 per cent. On sales of £1,068 million a trading surplus of £53.4 million was achieved, representing an increase of 17 per cent when compared with a similar period last year.

Although investment income at £31.9 million shows an increase of £9.7 million when compared with the first half of last year, the result is nevertheless below budget, our funds under management not having achieved the expected rate of return anticipated during the period. A similar fall in investment income was reported for the same period last year. This was followed by a recovery in the gilt market which substantially improved the rate of return for the year.

The group's investment income was further reduced by the use of a substantial part of these funds to purchase a 23.7 per cent stake in S. & W. Berisford PLC. Subsequently an offer was made on 15 October 1987 to purchase for cash the remainder of the share capital of Berisford.

The combined sales of the continuing activities in the United Kingdom increased by 5 per cent to £696 million and trading profits by 13 per cent to £34.1 million. Our major manufacturing divisions have made a satisfactory start to the year, whilst good progress has continued to be reported from some of our smaller companies operating in more recently developed areas of manufacturing activity.

Overseas sales at £372 million and trading profits of £19.3 million increased by 8 per cent and 24 per cent respectively. The effect of currency re-alignment on these results has been minimal this year. George Weston Foods in Australia have further consolidated the improved trend in results over the past two years and in terms of local currency the profits for the half year increased by 31 per cent, with all the major divisions performing strongly. Australian results have been converted at 2.30 dollars to the £1.

We have continued our normal high level of expenditure on plant and equipment to ensure that all our factories throughout the world have the most up-to-date technology available.

While we are confident that increased profits will be achieved by our trading divisions in the United Kingdom and overseas, until we know the final outcome of our offer for S. & W. Berisford PLC, it is difficult to make any forecast of the final results of the group for the year.

At a Board Meeting today the directors declared a first interim dividend of 2.5p per share (1986 – 2.2p) which, together with the associated tax credit, is equivalent to 3.29p per share (1986 – 3.1p). This interim dividend will be paid on 29 February 1988 to shareholders on the register at the close of business on 29 January 1988.

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6 stores in the UK.

BhS
is where

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STORECARD

A 50% joint venture with Citibank Trust Ltd.

habitat

Habitat have 56 stores in the UK, 32 in Europe, 16 in the USA, and 12 in Japan, Iceland, Singapore and Hong Kong.

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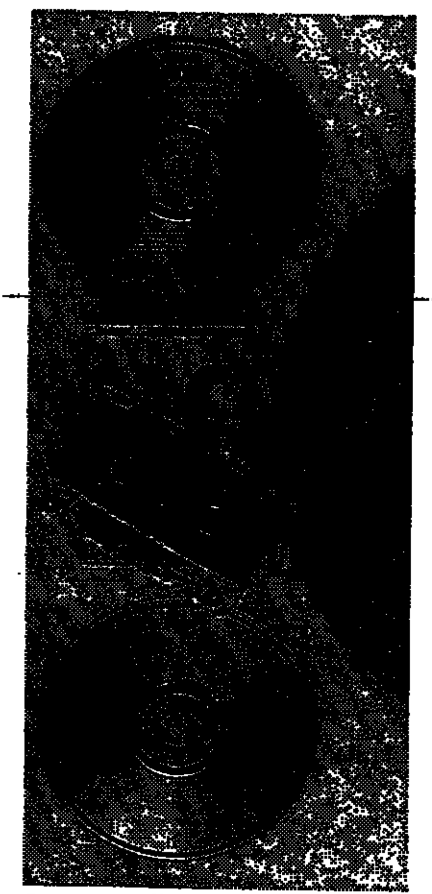

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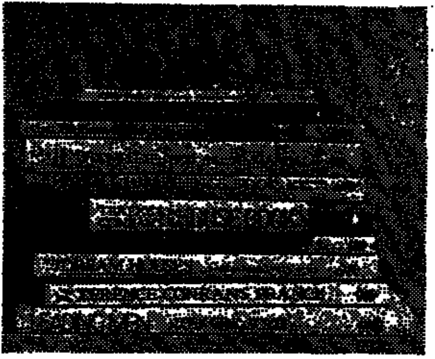

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Gulf states seek higher Opec production ceiling

BY RICHARD JOHNS

FOUR ARAB producing states of *the Gulf* are proposing that the Organisation of Petroleum Exporting Countries should raise its collective ceiling on output from the present rate of 16.6m barrels a day to 17.5m b/d from the beginning of next year.

Saudi Arabia, Kuwait, the United Arab Emirates and Qatar apparently want to set a level *that would make it possible to* give parity between Iran and Iraq under Opec's present production sharing agreement.

They also want to keep official selling rates centred around a reference of $18 per barrel, according to a report published yesterday by Kuna, the offical Kuwait news agency.

Under the pact reached in July Iran accepted an entitlement of 2.369m b/d. Iraq was allocated one of 1.54m b/d but opted out of the accord and has in practice been pumping at a rate of 2.2m-2.3m b/d recently.

The higher ceiling would allow scope for giving an equal share to Iraq and Iran while also giving an extra margin to satisfy demands of other producers like the United Arab Emirates, the most outrageous quota violator among the member states which have signed the pact.

The position *taken by the four* states - attributed to "high level oil sources" - is almost certainly the one which they will adopt at the next Opec conference, scheduled to start in Vienna on December 9.

Other members of Opec are likely to regard a raising of the limit on collective output as *totally unrealistic in view of the* excess production since August. Most market analysts believe that a reduction in the ceiling will be required if the $18 price is to be maintained during the first quarter of 1988.

Even if UN diplomatic efforts achieved a cease-fire in the Gulf conflict meanwhile, it is doubful whether Iran would be prepared to contemplate conceding parity with Iraq having consistently *demanded a share twice as great.*

Iran is also insistent that Opec prices should be raised to $20 per barrel. At the next conference it will be supported in its demand by other members, in particular Algeria and Libya.

Finn Barre reports from Riyadh: Mr Hisham Nazer,the Saudi Arabian Minister of Oil, has given the first public acknowledgement that the Kingdom is *planning to restructure its oil industry.*

He gave no details but stressed at a symposium held in Jubail the need to make the refining sector more profitable.

Reorganisation of the sector has been the subject of much industry speculation and a move to greater co-ordination is expected. *Currently, it is run by two* different entities.

The Arabian American Oil Company - dating back to the beginning of the old concession obtained by US companies and still registered in Delaware, though wholly state-owned - is responsible for all oil and gas output in the Kingdom proper, the refinery at Ras Tanura and operation of the trans-peninsula oil pipeline. Effectively, it is run by a *service company owned by* the old concessionary companies - Exxon, Chevron, Texaco and Mobil.

The state-owned oil corporation, Petromin, only handles *government-to-government crude* sales and the domestic market for products. It owns but does not operate the east-west pipeline.

Commodities tables revised

THE COMMODITIES tables have been redesigned with the aim of achieving a clearer and more consistent presentation.

The changes include the addition to the LME figures of open interest - *the number of unmatched* contracts outstanding at the end of the previous trading day. The Main Price Changes table has been replaced by a Spot Markets table showing phyisical, as against futures, prices. Much of the statistical information which has previously appeared in market commentaries *beneath tables is now in* tabular form. Where appropriate comments on individual markets will appear in the London Markets or in reports in the editorial section of the page, which has been enlarged as a result of the changes.

The changes have been made to coincide with the introduction *of computerised typesetting* to the page - the last in the Financial Times to be switched on to the new system.

Brazilian producers lift sisal export prices

BY RIK TURNER IN SAO PAULO

BRAZIL, THE world's leading producer of sisal, is raising its prices for both sisal fibre and bale-twine.

For years Brazilian manufacturers have competed among themselves for prominence in the world market, and prices have fallen. But the manufactur*ers have now acted together*, andnegotiated an increase in export prices with Cacex, the Banco do Brasil's foreign trade department. The sisal fibre price will go up by 14 per cent to US$400 per tonne, while bale-twine, a semi-finished product, is to rise 25 per cent to $13.50 per bundle of 18 kgs.

Brazil *will produce* 185,000m tonnes of sisal this year, of which 85,000m tonnes will be exported,mainly to the US and Canada,in the form of bale-twine, with another 75,000m tonnes of fibre also being sold abroad, according to *Mr Joao* Lopes Araujo, superintendent of Sisalane sa Industria e Comercio, *a manufacturer* based in Salvador, capital of the state of Bahia, the main producing area.

Sisal's primary use is in rope for tying bundles of agricultural produce. Its main competitor is polypropylene. the synthetic fibre, which is at the moment highly priced on the international market.

The natural product is once again a good option, said Mr Araujo, particularly for bundling hay to feed cattle, who can eat the fibre. Bundles tied with polypropylene must first be untied before feeding the animals.

Kenya, *Brazil's main rival in* the sisal market, is limited to exporting fibre because it lacks a *processing industry*. Tanzania, which once produced as much as 220,000m tonnes a year, is now down to 30,000m tonnes a year.

●Jute producing and importing nations opened talks in Indonesia *yesterday to hammer out* a new agreement for the $1bn-a-year world jute trade, **Reuter reports.**

Danish farmers reduce pig herds

BY HILARY BARNES IN COPENHAGEN

THE DANISH pig herd is declining in spite of satisfactory profits currently from pig production, according to the pig census survey by the official Bureau of Statistics.

The number of sows in pig for the first time on October 2 was down to 508,000 *from* 530,000 in July and 528,000 a year earlier. The total number of sows in pig fell to 635,000 from 669,000 in July and 659,000 in October last year.

Lack of cofidence among farmers was blamed for the situation by Mr Erik Skovgaard Kristen*sen, deputy chairman of* the slaughterhouse association. He said tougher antipollution regulations, calling for heavy investments in storage facilities for pig slurry, together with fears that new animal welfare rules will reduce farming efficiency, were behind the breeders' pessimism.

Law Lords study ITC documents appeal

By Raymond Hughes, Law Courts Correspondent

FIVE LAW Lords were yesterday asked to decide whether copies of documents of the International Tin Council can be used as evidence in litigation arising out of the ITC's collapse into insolvency in October, 1985.

At issue is the extent of the inviolability granted to the ITC's official archives by the 1972 International Tin Council (Privileges and *Immunities*) Order.

Under challenge is a ruling of the Court of Appeal in July that, if an archive document was copied without the ITC's consent, neither the copy, nor secondary evidence of the document's contents or information derived from it, could be used in *evidence*.

However, the appeal court held, documents lost their inviolability when distributed by the ITC to its members - the UK and 22 other states and the European Community.

The ruling was made after the ITC intervened in a case in which two Shearson Lehman companies are claiming more than £61m from Maclaine Watson and another tin trader, J.H.Rayner (Mincing Lane), under tin sale contracts, and challenging the validity of the London Metal Exchange's Rule M, which imposed a fixed *settlement price on* outstanding tin contracts following the ITC's collapse.

Various parties in the action have obtained copies of ITC documents which they want to use as evidence. The ITC argued that all the relevant material was part of its archives and immune *from disclosure*.

Mr Sydney Kentridge,QC, for Maclaine Watson, said yesterday that the ITC had no remedy based on the inviolability of its archives once a document had come into the hands of a third party, provided it had not been obtained illicitly, as, *for example, by theft or* bribery.

The appeal court's decision is also being challenged by the ITC, which contends that all its documents are inviolable, even when distributed to members, unless it waives the inviolability.

The hearing continues today.

LME WAREHOUSE STOCKS
(Change during week ended last Friday)
tonnes

Aluminium standard	−825	to 68,725
Aluminium high grade	+2,825	to 46,100
Copper	−12,550	to 68,255
Lead	−250	to 17,250
Nickel	−534	to 2,850
Zinc	−50	to 34,725
Silver (oz).	-104,000	to 19,884,000

Crash dents aluminium's upsurge

BY DAVID BLACKWELL

STRONG FUNDAMENTAL factors in the base metals markets have been totally overshadowed *by the plunging equity markets* - and aluminium has emerged as the principal casualty.

In the space of a couple of days after Black Monday, when the equity markets fell off a cliff, the bull market was stopped in its tracks. The sustained bull trend had taken the LME cash price from about £780 a tonne for standard grade, or 99.5 per cent purity, metal in January to £1,252 a tonne on Monday, October 19. *The next day it plunged* by £107 a tonne and by last Thursday's close it was below £1,000 a tonne. In the last two trading days the price has recovered by £67 a tonne, but it would be a brave man who said that confidence had returned to the market.

Copper prices went into free *fall with aluminium, but have* staged a better recovery over the past couple of weeks as stocks are in extremely short supply. Copper stocks are at 13-year lows - they fell at the LME ware*houses for the sixth successive* week last week. They are also tight on New York's Comex, which has a very actively traded copper contract.

However, the Comex aluminium contract pales into insignificance besides the LME's two contracts, which handle most of the futures trading in the metal. The volatile bull market this year has attracted a lot of speculative money, and heavy trading in options in the face of tight supplies has added impetus.

In the words of one trader - *"aluminium had gone up that* much further, so it had that much further to fall." Analysts agree that the aluminium market has lost all sense of direction, with the backwardation (or premium for cash metal over the forward contracts) varying wildly. The change of sentiment has led traders to liquidate long posi*tions. They are not likely to* return to the market while it remains so volatile, especially while they fear further falls in equity markets.

Meanwhile the precious metals *sector* has not behaved as many thought it would in the wake of the equity crash. Immediately after the initial impact gold prices leapt to a four-and-a-half year high of $481.50 a troy ounce. Analysts predicted a breakthrough to $500 an ounce if the equity plunge continued against a background of a declining dollar and the growing tension in the Middle East.

However, the following day it fell right back to *$468 an ounce*, and has remained at close to that level since. This is partly due to *the fact* that holders of gold were forced to sell the metal to cover margin calls on futures and losses in the equity market. It has also been suggested that the possibility of a stock market crash might have already been taken into account by the gold market.

Both silver and platinum have suffered because of gold's failure to take off, reinforcing the view of some analysts that these should now be regarded as industrial metals. Silver stood at 493.5p a troy ounce on October 19, but was fixed yesterday at 404.5p.

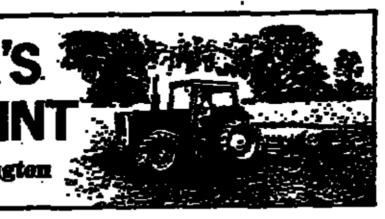
Platinum, which had been at about $570 an ounce for most of the summer, dipped to $515.75 on Friday before recovering to $528 an ounce yesterday. Ms Rhona O'Connell of Shearson, Lehman believes platinum to be particularly susceptible to any *hint of a recession now that* almost 60 per cent of it is used for industrial purposes, such as catalytic *converters for car exhausts.*

In addition, a spate of new mine announcements recently means that up to an additional 38 tonnes a year of the metal could be in production by 1993, compared with a current world consumption *of 88.6 tonnes*. However, EC exhaust emissions legislation could mean another *15 tonnes a year being used in* the production of catalytic converters within the next six years.

Soft commodities have remained comparatively stable - but that is mainly a reflection on the depth of the depression which had already settled over these markets.

Muddling through on marketing

FARMER'S VIEWPOINT



By John Cherrington

FOR AS long as I can remember *British farmers have been* criticised for poor marketing. We do not co-operate very well; we do not present our produce attractively; nor, we are told do we produce what the customer really wants. All in all, the critics say, we do not bear comparison with the efficiency of the Dutch, the French and the Danes, or *any of our overseas competitors* in wooing the housewife - either at home or in export markets.

There is a certain amount of truth in this but there are some very extenuating circumstances. Until fairly recently Britain was a terminal market for farm produce from all over the world. The products our competitors *sent in had been through export* bottlenecks which saw to it that only the highest quality got here. The balance was taken off the market in the country of origin and either destroyed or processed. The funds for this operation came either from a levy on farmers or, in many cases, from taxpayers. The inequality of *funding was highlighted by Mr* Walter Goldsmith, the chairman of Food From Britain, the other day when he pointed out that while FFB had to manage on £4.2m France and Germany supported their farmers' marketing efforts by about 10 times that figure.

The nearest British farming *came to a sensible marketing* policy was with the formation of the Milk Marketing Board in 1933. This statutory body was empowered to buy all milk produced in its area, England and Wales, market it to the best advantage, and then to pool the earnings for the benefit of all producers.

Prior to the Board's inception milk selling for the farmers was a shambles. The big dairy companies were able to dominate the market and any attempt by producers to combine to withhold *supplies from them was defeated* by the time-honoured technique of divide and rule - some producers would be offered attractive contracts and the remainder would be threatened with being unable to sell their milk at all.

The Board was set up under the Agricultural Marketing Acts. Boards covering several other *farm products were set up but* they never received the support either of farmers or of subsequent governments, and they faded out. The reason for this was firstly that they could not, like the MMB, have monopoly control of the market. Then once the post war Agricultural Acts with their guaranteed prices came into *force* the need for them was not so obvious.

Farmers are often blamed for not producing the quality the public really wants. This is unfair. All the time I have been farming I have tried to produce the animals and the grain I am told is needed - so have most other farmers. But these efforts *have been very ill rewarded.* The people we sell to in many cases are the middlemen, the wholesalers. They will seldom make a contract which will guarantee a price some way ahead. They have some justification for this. Farm output is not always predictable. The weather can ruin much of a harvest, while the feed from a *poor* harvest can seriously affect the performance of pigs and poultry. A drought or excessive rain can delay or hasten the marketing of grazing animals, making nonsense of the *predicted quality standards.*

Farmers have observed, moreover, that buyers' ideas of quality are very subjective. If there are many first class lambs on the market the premiums paid are derisory, but if there is a shortage second class stock makes very little less than the best.

This year it has been the same with *malting* barley. Early in the harvest some of my barley was contemptuously rejected as being far too high in nitrogen. When the real disaster of this harvest was realised I was able to sell this at a good premium and if I had not been so short of cash and had waited a bit longer I would have got more.

We might, as farmers, be more aware of the real position if we had contacts with the ultimate buyers - the maltsters the millers and the supermarkets, or even the exporters. But this is where the middlemen come in. The last *thing* they want *is for farmers* and processors to get together. I am not suggesting these middlemen are *getting* their heads together to exploit either farmers or their customers. In fact it is a highly competetive sector, particularly for meat wholesalers where there have been some spectacular collapses of late years.

Most buyers of finished cattle sheep and pigs will quote weekly prices in deadweight terms. I have always sold my sheep and pigs that way as I think it is better for the animals and I do get a bonus for quality. Nine out of ten pigs are sold that way, but only about 30 per cent of sheep and 50 per cent of cattle. The remainder go to livestock auctions where they are graded alive and then sold to the highest bidder. Farmers like the live auctions because they say that if the grading does not suit them or prices are bad they can withdraw the animals and offer them at a later date. They also like the *competition of the auction ring*

It must be said here that in our present marketing system the live auctions are essential as they determine the level of the trade and provide the esential competition which the wholesalers do need. It is essential to realise that the level of the market price is very largely deter*mined by the supply on the day.* If you are already committed to a fixed price sale you cannot take advantage of fluctuations as they occur.

As to quality there is no doubt that supplies are much more in line with what the market, mainly the supermarkets, says it wants. Farmers have made great *strides in breeding leaner animals* for instance, but I am not sure that either farmers or their ultimate customers are very well served by those who process their output.

I often hear complaints about quality, of meat and bacon *in* particular, but it is not fair simply to blame we farmers. Meat *needs just as much care in* conditioning once slaughtered as it does to produce the animal, but it is possible that such care cannot be taken when it is handled in such enormous quanties as it is by the major multiples.

There is one *further* point that has always puzzled me. Every week literally thousands of British *cull sows are exported to our* EC partners for processing into pate and other delicatessen products which are sold back to Britain. Surely that value could be added at home.

INDICES

REUTERS (Base: September 18 1931 = 100)

Oct 30	Oct 29	month ago	year ago
1645.5	1639.6	1640.3	1594.4

DOW JONES (Base: September 18 1931 = 100)

Spot	126.69	125.33	126.54	117.90
Future	127.75	126.79	130.57	121.09

LONDON MARKETS

COPPER PRICES were *boosted* yesterday morning on the London Metal Exchange as speculators covered against short positions and a further sharp fall in LME warehouse stocks last week encouraged some fresh buying. Dealers said the stocks fall reflected a "broad front" of consumer demand from the US, the *Far East and Europe, with high* premiums being paid for good quality material. The past three weeks had seen a total fall in LME stocks of more than 30,000 tonnes, they noted. The premium for cash over forward metal widened early in the day in response to investor "borrowing" (buying cash and selling forward). Gains were trimmed back somewhat in the afternoon as sterling strengthened further against the dollar, but the firmness of the New York market underpinned the London trade. Aluminium prices also moved higher, again on fresh buying and *short-covering. But the advance* was pared back in the afternoon. News that Alcan had locked out *unionised* workers at midnight on Saturday at its Shawinigan, Quebec, smelter had only a limited effect on market sentiment, dealers said.

LONDON BULLION MARKET

Gold (fine ounce)

	$ price	£ equivalent
Close	$470	£270¼
Opening	$470	£270¼
Morning fix	$469.95	£271.538
Afternoon fix	$469.30	£271.272
Day's high	$470½-471	—
Day's low	$469-469½	—

Silver (fine ounce)

	UK pence	US cts equiv
Spot	404.50	700.00
3 months	414.05	713.85
6 months	424.50	727.40
12 months	440.95	755.15

Gold & Platinum Coins

	$ price	£ equivalent
US Eagle	$484-489	£279¼-282¾
Mapleleaf	$484-489	£279¼-282¾
Krugerand	$469-472	£270¾-272¾
1/2 Krug	$243-252	£139¾-145
1/4 Krug	$120-128	£69-73½
Angel	$479-484	£275½-278¾
1/10 Angel	$47-52	£27-30
New Sov.	$110½-111½	£63¾-64½
Old Sov.	$110-112	£63¾-64¾
Britannia	$484-489	£279¼-282¾
Noble Plat	$526-529	£302½-304

LONDON METAL EXCHANGE TRADED OPTIONS

Aluminium (99.5%)

Strike price $ tonne	Jan	Mar	Jan	Mar
1725	99	19½	81	60
1750	87	12	94	67
1800	68	4	122	108

Copper (Grade A)

Strike price $ tonne	Jan	Mar	Jan	Mar
1900	123	131	78	143
1950	98	111	102	172
2000	77	93	130	202

Copper (Grade B)

Strike price $ tonne	Jan	Mar	Jan	Mar
1100	61½	30	36	37
1125	48½	20½	47½	51½
1150	37½	13½	61	68½

LONDON METAL EXCHANGE

	Close	Previous	High/Low	AM Official	Kerb close	Open interest
Aluminium, 99.7% purity ($ per tonne)						Ring turnover 0 tonnes
Cash	1835-45	1800-20		1840-60	unquoted	
3 months	1735-45	1690-700	1725/1705	1740-60		2,489
Aluminium,99.5% purity (£ per tonne)						Ring turnover 21,375 tonnes.
Cash	1062-7	1048-50	1067	1066-7	984-5	
3 months	995-6	976-7	1008/984	1000-1		62,340
Copper, Grade A (£ per tonne)						Ring turnover 64,225 tonnes
Cash	1194-6	1175-8	1200/1198	1200-2	1114-5	
3 months	1113-4	1088-90	1118/1107	1115-6		122,774
Copper, Standard (£ per tonne)						Ring turnover 150 tonnes
Cash	1150-60	1115-25	1160	1157-60		
3 months	1100-5	1070-80		1105-6		33
Silver (US cents/fine ounce)						Ring turnover 2 tonnes
Cash	698-700			699-701	712-6	
3 months	712-4		712	713-5		559
Lead (£ per tonne)						Ring turnover 11,400 tonne
Cash	343-5	338-9	342.5	342-2.5	330-1	
3 months	336-7	332-3	337/330	336.5-7		11,891
Nickel (£ per tonne)						Ring turnover 898 tonnes
Cash	3340-50	3350-60	3375	3375-80	3310-30	
3 months	3315-30	3330-5	3345/3335	3340-50		8,542
Zinc (£ per tonne)						*Ring turnover 8,875 tonnes*
Cash	448.5-9	445-7		450-50.5	453-4	
3 months	454.5-5	452-3	456 453	455.5-6		14,809

SPOT MARKETS

Crude oil (per barrel FOB December)		+ or -
Dubai	17.10-17.20	-0.08
Brent Blend	18.50-18.55w	-0.35
W.T.I. (1 pm est)	19.60-19.65	-0.33
Oil products (NWE prompt delivery per tonne CIF December)		+ or -
Premium Gasoline	184-187	-1
Gas Oil	167-168	
Heavy Fuel Oil	96-97	-1
Naptha	160-162	-1
Petroleum Argus Estimates		
Other		+ or -
Gold (per troy oz)	$470	+ 2.25
Silver (per troy oz)	404.50p	+ 3.10
Platinum (per troy oz)	$528.00	+12.25
Palladium (per troy oz)	$117.25	- 0.50
Aluminium (free market)	$1845	+ 45
Copper (US Producer)	88.00c	
Lead (US Producer)	42c	- 1
Nickel (free market)	270c	- 7
Tin (European free market)	£4040	- 5
Tin (Kuala Lumpur market)	17.16r	- 0.15
Tin (New York)	322.5c	- 1
Zinc (Euro. Prod. Price)	$820	
Zinc (US Prime Western)	43.375c	
Cattle (live weight)†	97.32	+ 2.34
Sheep (dead weight)†	181.33	+10.30
Pigs (live weight)†	75.03	+ 0.04
London daily sugar (raw)	$189.00	+ 1.60
London daily sugar (white)	*$193.00x*	*+ 2.00*
Tate and Lyle export price	£215.50	
Barley (English feed)	£106.00	- 0.50
Maize (US No. 3 yellow)	£133.50	+ 0.50
Wheat (US Dark Northern)	£91.75	- 0.25
Rubber (spot)♥	61.75p	- 0.75
Rubber (Dec)♥	64.75p	- 0.75
Rubber (Jan)♥	*65.25p*	*- 0.75*
Coconut oil (Philippines)§	$470	
Palm Oil (Malaysian)§	$345	- 5
Copra (Philippines)§	$320	
Soyabeans (US)	$137.5	-26.5
Cotton "A" index	73.55c	+ 1.50
Wooltops (64s Super)	515p	

*£ a tonne unless otherwise stated. p-pence/kg. c-cents/lbs. r-ringit/kg. v-Oct/Nov. w-Nov. x-Nov/Dec.y-Dec. z-Jan/Feb. † Meat Commission average fatstock. * change from a week ago. ♥ London physical market. § CIF Rotterdam*

TEA

There were 26,891 packages on offer in this week's sale including 2,200 packages in the offshore section, reports the Tea Brokers's Association.

Quotations:quality 175p a kg (175p);medium 102p a kg (100p);low medium 84p a kg (86p).

COFFEE £/tonne

	Close	Previous	High/Low
Nov	1249	1242	1249 1230
Jan	1285	1279	1287 1267
Mar	1315	1309	1315 1295
May	1342	1335	1340 1320
Jly	1360	1365	1358 1343
Sep	1370	1380	1353 1358
Nov	1400	1410	1383 1383

Turnover: 4860 (7296) lots of 15 tonnes
ICO Indicator prices (US cents per pound) for October 30 :Comp. daily 111.63 (111.99) : 15 day average 111.81 (111.92)

GAS OIL $/tonne

	Close	Previous	High/Low
Nov	167.00	168.75	168.00 166.50
Dec	167.25	169.25	169.25 167.00
Jan	*167.25*	*169.00*	*168.00 167.00*
Feb	165.50	167.25	166.00 165.50

Turnover 2121 (1962) lots of 100 tonnes

FREIGHT FUTURES £/index point

	Close	Previous	High/Low
Jan	1232.0	1240.0	1240.0
Apr	1255.0	1264.5	1260.0 1255.0
Jly	1134.0	1145.0	1140.0 1134.0
BFI	1172.5	1171.5	

Turnover 72 (167)

GRAINS £/tonne

Wheat	Close	Previous	High/Low
Nov	109.45	108.50	109.45 108.10
Jan	112.25	111.70	112.25 111.90
Mar	114.25	113.75	114.25 113.85
May	116.70	116.20	116.70 116.35
Jly	119.10	118.45	119.10 118.55
Sep	102.00	101.90	102.00 101.90
Nov	103.90	103.80	103.90 103.80
Barley	**Close**	**Previous**	**High/Low**
Nov	105.85	105.85	105.85 105.50
Jan	107.25	106.80	107.30 107.00
Mar	109.30	108.85	109.30 109.00
May	111.00	110.55	111.00 110.75
Sep	98.50	98.50	198.50 198.50
Nov	100.75	100.75	100.75 100.75

Turnover: Wheat 202 (272) , Barley 85 (79) . lots of 100 tonnes.

POTATOES £/tonne

	Close	Previous	High/Low
Nov	86.10	88.0	86.20 86.00
Feb	101.30	100.0	
Mar	90.50	91.0	
Apr	149.70	147.5	150.80 145.50
May	163.00	160.5	163.50 163.00
Nov	75.00	75.0	

Turnover 1007 (771) lots of 100 tonnes.

SOYABEAN MEAL £/tonne

	Close	Previous	High/Low
Dec	131.00	132.50	131.70 130.00
Feb	132.50	134.00	132.50 132.00
Apr	132.50	133.50	
Jun	124.00	125.00	124.50 124.00
Aug	123.00	123.50	
Oct	123.50	125.00	
Dec	126.00	128.00	

Turnover 91 (93) lots of 100 tonnes.

SUGAR ($ per tonne)

Raw	Close	Previous	High/Low
Dec	163.00	164.20	
Mar	169.00	170.20	171.00 168.50
May	170.20	171.40	172.00 170.00
Aug	172.00	172.80	173.00 171.80
Oct	173.00	174.00	174.80 172.80
Dec	176.60	178.40	
Mar	182.80	182.00	182.80 182.60
White	**Close**	**Previous**	**High/Low**
Dec	194.50	194.70	195.00 194.00
Mar	200.20	201.00	201.20 200.00
May	204.40	205.00	204.00 204.00
Aug	208.00	208.50	208.00 207.50
Oct	208.50	209.50	209.50 208.50
Dec	210.00	211.50	210.00 210.00
Mar	218.00	217.00	

Turnover: Raw 3689 (1468) lots of 50 tonnes. White 1460 (931) .
Paris- White (FFr per tonne):Dec 1138, Mar 1176, May 1203, Aug 1235, Oct 1260,Dec 1266.

COCOA £/tonne

	Close	Previous	High/Low
Dec	1120	1134	1132 1116
Mar	1153	1168	1165 1149
May	1176	1188	1187 1171
Jly	1196	1211	1208 1195
Sep	1217	1232	1229 1220
Dec	1238	1256	1252 1238
Mar	1260	1279	1278 1260

Turnover: 3629 (2776) lots of 10 tonnes
ICCO Indicator prices (SDRs per tonne). Daily price for October 26 1470.02 (1480.08) :10 day average for October 27 1467.74 (1469.53) .

US MARKETS

The precious metals came under pressure from trade, local and commission house selling following earlier signs of mild strength, reports Drexel Burnham Lambert. Short-covering towards the close pared losses. Copper rallied sharply on trade and local buying which touched off commission house buy-stops. Crude oil and the *energy futures all came under* pressure from trade selling which touched off sell-stops as the markets penetrated support levels. Cotton rallied strongly on trade and commission house buying, but gains were pared by profit-taking and *local long-liquidation*. Coffee rallied on commission house buying against the weaker dollar. Cocoa *rallied on trade buying, but ran into* good commission house selling. Sugar rallied on commisison house buying before the trade emerged as sellers at the highs, forcing locals to liquidate longs. The meats were all sharply lower across the board reflecting weaker cash prices and responding to renewed liquidation. In the grains, wheat fell following *Friday's report that the US* Government would sell 10m bushells from inventory on a weekly basis against possible programme sales to Eastern bloc countries. Maize also fell under the influence of the movement of *stored maize as a result of the* unseasonably warm and damp weather. Soyameal fell under the weight of *long-liquidation, which* also weakened soyabeans. Soyabeans were weak.

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low
Nov	470.1	468.8	470.0 469.0
Dec	472.5	471.2	473.5 469.7
Jan	475.1	473.8	0 0
Feb	478.8	477.2	479.4 476.0
Apr	484.7	483.1	485.5 482.5
Jun	490.8	489.2	490.5 489.5
Aug	497.1	495.5	0 0
Sep	460.0	460.1	461.0 461.0

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Previous	High/Low
Nov	150.55	144.75	150.20 145.75
Jan	147.50	144.25	148.15 144.80
Mar	147.65	144.70	147.80 145.25
May	147.50	145.25	147.50 146.00
Jly	147.45	145.45	147.00 146.00
Nov	144.50	143.45	0 0
Jan	141.25	140.90	0 0
Mar	141.25	140.90	0 0

COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low
Nov	88.30	83.95	88.25 86.25
Dec	86.05	82.15	86.60 83.00
Jan	84.70	81.00	82.20 82.20
Mar	82.00	78.70	82.50 79.50
May	80.10	77.20	80.60 78.50
Jly	79.20	76.50	79.90 77.85
Sep	78.70	76.00	79.40 79.40
Dec	78.50	75.85	77.00 77.00
Jan	78.45	75.80	0 0
Mar	78.40	75.75	77.00 77.00

COCOA 10 tonnes;$/tonnes

	Close	Previous	High/Low
Dec	1832	1807	1835 1800
Mar	1871	1850	1874 1843
May	1903	1882	1895 1880
Jly	1934	1913	1920 1910
Sep	1965	1944	1950 1950
Dec	1996	1974	1990 1973
Mar	2028	2004	0 0

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low
Dec	124.60	122.52	124.85 122.25
Mar	126.98	125.88	129.25 126.60
May	130.74	129.06	131.00 128.75
Jly	131.75	130.00	131.75 129.75
Sep	132.88	131.31	132.25 131.00
Dec	134.00	132.30	134.00 134.00
Mar	132.98	131.12	0 0

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low
Nov	150.55	144.75	150.20 145.75
Jan	147.50	144.25	148.15 144.80
Mar	147.65	144.70	147.80 145.25
May	147.50	145.25	147.50 146.00
Jly	147.45	145.45	147.00 146.00
Nov	144.50	143.45	0 0
Jan	141.25	140.90	0 0
Mar	141.25	140.90	0 0

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low
Nov	692.5	695.0	698.0 695.0
Dec	696.5	699.0	704.5 697.0
Jan	700.8	703.1	706.0 706.0
Mar	711.1	713.6	719.0 703.0
May	720.8	723.1	730.0 717.0
Jly	730.5	732.6	741.0 718.0
Sep	740.9	742.8	746.0 734.0
Dec	757.3	759.2	768.0 752.0
Jan	762.7	698.4	0 0

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	Previous	High/Low
Jan	7.05	7.01	7.03 6.95
Mar	7.53	7.59	7.61 7.53
May	7.63	7.66	7.67 7.62
Jly	7.69	7.71	7.73 7.68
Oct	7.73	7.79	7.78 7.73
Jan	7.93	7.99	0 0
Mar	8.06	8.16	0 0

COTTON 50,000; cents/lbs

	Close	Previous	High/Low
Dec	68.32	66.73	68.50 67.50
Mar	69.65	68.05	69.85 69.10
May	70.45	68.75	70.50 69.75
Jly	70.50	68.70	70.50 69.35
Oct	66.20	65.90	66.70 66.25
Dec	65.10	64.43	65.50 64.75
Mar	66.45	66.55	66.90 66.50

CRUDE OIL (Light) 42,000 US galls $/barrel

	Close	Previous	High/Low
Dec	19.63	19.98	19.83 19.57
Jan	19.52	19.84	19.71 19.44
Feb	19.42	19.71	19.58 19.35
Mar	19.35	19.61	19.49 19.32
Apr	19.08	19.52	19.38 19.28
May	19.20	19.43	19.30 19.20
Jun	19.11	19.34	19.11 19.11
Jly	19.08	19.28	19.08 19.08
Aug	19.00	19.19	19.10 19.00
Sep	18.95	19.12	19.00 18.95

HEATING OIL 42,000 US galls, cents/US galls

	Close	Previous	High/Low
Dec	56.65	57.34	57.05 56.50
Jan	56.40	57.19	56.90 56.25
Feb	55.75	56.39	56.15 55.60
Mar	53.90	54.19	54.15 53.55
Apr	51.80	52.15	52.10 51.60
May	50.85	50.70	50.85 50.30
Jun	50.00	50.05	50.35 50.30
Jly	50.25	50.25	50.30 50.25
Aug	51.30	50.75	51.30 51.30
Sep	51.45	51.35	51.45 51.45

Chicago

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low
Dec	17.20	17.36	17.31 17.16
Jan	17.38	17.54	17.50 17.37
Mar	17.69	17.86	17.78 17.68
May	17.95	18.08	18.05 17.95
Jly	18.16	18.26	18.25 18.15
Aug	18.25	18.33	18.35 18.21
Sep	18.26	18.40	18.45 18.26
Oct	18.35	18.50	18.50 18.35
Dec	18.60	18.85	18.65 18.60

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low
Dec	180.3	181.9	182.2 178.5
Jan	173.4	175.0	175.2 171.5
Mar	168.4	170.0	170.3 167.0
May	165.2	167.2	167.0 163.8
Jly	162.7	164.6	164.6 162.0
Aug	162.0	163.8	163.5 162.0
Sep	161.0	162.5	162.5 161.0
Oct	160.4	162.0	162.0 160.4
Dec	160.5	162.5	162.0 160.1

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low
Dec	288/2	296/4	294/4 288/0
Mar	300/4	308/2	305/4 300/2
May	300/4	304/0	301/6 299/0
Jly	286/4	289/0	287/6 285/4
Sep	290/0	293/0	291/4 290/0
Dec	298/4	302/4	0 0

LIVE HOGS 30,000 lb; cents/lbs

	Close	Previous	High/Low
Dec	41.60	42.97	42.55 41.56
Feb	40.87	41.65	41.45 40.65
Apr	38.15	38.80	38.77 38.10
Jun	41.57	41.82	41.75 41.35
Jly	41.87	42.00	42.05 41.70
Aug	40.75	41.20	41.05 40.72
Oct	38.30	0	38.40 38.12
Dec	38.50	39.40	39.00 38.50

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low
Dec	178/2	179/4	179/6 177/4
Mar	183/4	184/6	184/6 182/4
May	189/2	190/0	189/6 187/4
Jly	193/6	194/2	194/2 192/2
Aug	193/0	192/0	194/0 191/6
Oct	192/0	190/0	192/0 189/2
Dec	199/0	197/0	199/0 197/0

PORK BELLIES 38,000 lbs; cents/lb

	Close	Previous	High/Low
Feb	53.80	55.40	55.00 53.65
Mar	53.80	55.37	54.90 53.50
May	55.17	56.90	56.05 54.90
Jly	55.15	56.37	56.10 55.06

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low
Nov	530/4	533/0	535/6 530/0
Jan	536/0	541/4	542/2 535/4
Mar	542/4	547/0	547/6 540/0
May	544/0	549/4	550/0 543/0
Jly	545/6	551/4	551/0 544/0
Aug	543/0	548/0	549/0 543/0
Sep	538/0	540/0	539/0 538/0
Nov	536/6	538/2	538/4 534/0

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low
Dec	60.90	62.40	62.20 60.90
Feb	59.95	60.45	60.35 58.95
Apr	61.02	62.52	62.35 61.02
Jun	61.02	62.52	62.40 61.02
Aug	59.65	61.10	61.00 59.60
Oct	58.70	0	59.95 58.70
Dec	60.25	61.00	61.00 60.25

FOREIGN EXCHANGES

Dollar hits new lows

THE DOLLAR continued its downward trend on the foreign exchanges. The West German Bundesbank; Swiss National Bank; and the Bank of Japan bought dollars, but the intervention was generally regarded as no more than a smoothing exercise, to insure the US currency's decline was orderly.

Nervousness centred on the US trade and budget deficits, as the market believed the September trade shortfall, to be published on November 12, will show no sign of improvement, while President Reagan and Congress will fail to agree on measures to significantly cut the budget deficit.

Dealers pointed out that a reduction of $23bn in the budget deficit to meet the Gramm Rudman target would not really represent a cut, after the higher budget figure proposed for the new financial year, and that a reduction of around $40bn was probably required to restore confidence in the dollar.

This seems certain to involve raising taxation, and is extremely unlikely ahead of next year's US presidential election.

A test of confidence for the dollar is likely to be seen at this week's quarterly refunding auctions by the US Treasury, amid concern about the level of foreign demand.

The dollar fell to its lowest closing level against the D-Mark since January 1980, finishing at DM1.7120, compared with DM1.7280 on Friday. It also declined to a record low of Y137.05 from Y138.35, and fell to a record SFr1.4150 from SFr1.4295, and to FFr5.8050 from SFr5.8725.

On Bank of England figures the dollar's index fell to 98.0 from 98.5.

STERLING-Trading range against the dollar in 1987 is 1.7390 to 1.4710. October average 1.6620. Exchange rate index was unchanged at 74.6, compared with 73.8 six months ago.

Sterling rose to its highest level against the dollar since August 1982. It closed 1.70 cents higher at $1.7385-1.7395. The pound was generally steady against other major currencies, rising to DM2.9775 from DM2.9750, while closing unchanged at Y238.25, and easing to SFr2.46 from SFr2.4625, and to FFr10.0950 from FFr10.1125.

D-MARK-Trading range against the dollar in 1987 is 1.9305 to 1.7120. October average 1.8011. Exchange rate index 149.9 against 147.2 six months ago.

The D-Mark rose against the dollar in Frankfurt, as sentiment coninued to point towards a weakening of the US currency.

This followed speculation that the leading industrial nations are prepared to see an orderly decline of the dollar, and doubts that President Reagan will agree with the US Congress on measures to reduce the budget deficit.

Amid general expecations the dollar will soon fall through DM1.70, it declined to close at nearly an eight year low of DM1.7165.

The Bundesbank bought $49.9m in Frankfurt when the dollar was fixed at DM1.7204, compared with DM1.7393 on Friday.

JAPANESE YEN-Trading range against the dollar in 1987 is 159.45 to 137.05. October average 143.27. Exchange rate index 227,2 against 225.3 six months ago.

The yen was strong against the dollar, leading to comments that there will soon be an attack on the Y137 level. Bank of Japan intervention was estimated at up to $1bn, but failed to prevent the dollar falling, as dealers believed the Group of Seven now accepts the dollar must move down to a lower trading range.

The dollar fell to Y137.60, from Y138.55 on Friday. Trading was limited ahead of today's national holiday in Japan, and this week's US quarterly refunding auctions.

£ IN NEW YORK

Nov.2	Latest	Previous Close
£ Spot	1.7410-1.7420	1.7205-1.7215
1 month	0.32-0.30pm	0.32-0.31pm
3 months	0.68-0.64pm	0.71-0.68pm
12 months	1.85-1.75pm	2.13-2.03pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

		Nov.2	Previous
8.30	am	74.6	74.5
9.00	am	74.6	74.4
10.00	am	74.6	74.4
11.00	am	74.6	74.5
Noon		74.6	74.5
1.00	pm	74.6	74.5
2.00	pm	74.6	74.5
3.00	pm	74.6	74.6
4.00	pm	74.6	74.6

CURRENCY RATES

Nov.2	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.768821	0.693232
U.S Dollar	6	1.33006	1.19929
Canadian $	8.75	*	1.57731
Austrian Sch.	4	16.1283	14.5306
Belgian Franc	7¾	N/A	43.1625
Danish Krone	7	8.83825	7.96809
Deutsche Mark	3	2.28824	2.06290
Neth.Guilder	4½	2.57500	2.32195
French Franc	9½	N/A	6.99187
Italian Lira	12	N/A	1519.32
Japanese Yen	2½	182.950	165.238
Norway Krone	8	N/A	7.81279
Spanish Peseta	—	152.707	137.559
Swedish Krona	7½	8.20581	7.39963
Swiss Franc	3.5	1.89135	1.70539
Greek Drach.	20½	178.674	161.293
Irish Punt	—	N/A	0.775087

*C$/SDR rate for Oct 30. 1.73842

CURRENCY MOVEMENTS

Nov.2	Bank of England Index	Morgan Guaranty Changes %
Sterling	74.6	-19.4
U.S Dollar	98.0	-9.0
Canadian Dollar	77.7	-2.3
Austrian Schilling	140.8	+10.8
Belgian Franc	100.8	-4.4
Danish Krone	93.0	+2.2
Deutsche Mark	149.9	+23.4
Swiss Franc	177.5	+24.5
Guilder	138.0	+15.6
French Franc	71.8	-13.4
Lira	47.2	-18.9
Yen	227.2	+70.3

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base Average 1975=100).

OTHER CURRENCIES

Nov.2	£	$
Argentina	6.9930-7.0840	4.0400-4.0900
Australia	2.5495-2.5525	1.4740-1.4750
Brazil	96.2760-96.8140	55.6190-55.8970
Finland	7.3055-7.3185	4.2290-4.2320
Greece	230.40-234.30	133.00-135.25
Hong Kong	13.4600-13.5600	7.8100-7.8110
Iran	119.20*	70.20*
Korea(Sth)	1373.80-1386.25	798.10-804.70
Kuwait	0.47790-0.47830	0.27625-0.27635
Luxembourg	62.45-62.55	35.90-36.00
Malaysia	4.4235-4.4575	2.5080-2.5090
Mexico	2846.00-2857.00	1644.00-1648.00
N. Zealand	2.8650-2.8750	1.6640-1.6695
Saudi Ar.	6.4875-6.4930	3.7500-3.7510
Singapore	3.5550-3.5855	2.0650-2.0660
S. Af (Cm)	3.4260-3.4420	1.9850-1.9890
S. Af (Fn)	5.9625-6.1750	3.4485-3.5715
Taiwan	51.75-52.00	29.90-30.00
U.A.E.	6.3535-6.3590	3.6725-3.6735

*Selling rate

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu Nov.2	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	42.4582	43.1625	+1.66	+0.92	±1.5344
Danish Krone	7.85212	7.96809	+1.48	+0.74	±1.6404
German D-Mark	2.05853	2.06290	+0.21	-0.53	±1.0981
French Franc	6.90403	6.99187	+1.27	+0.53	±1.3674
Dutch Guilder	2.31943	2.32195	+0.11	-0.63	±1.5012
Irish Punt	0.768411	0.775087	+0.87	+0.13	±1.6684
Italian Lira	1483.58	1519.32	+2.41	+1.81	±4.0752

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

POUND SPOT- FORWARD AGAINST THE POUND

Nov.2	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.7120-1.7280	1.7985-1.7995	0.33-0.30cpm	2.17	0.69-0.64pm	1.53
Canada	2.2732-2.2845	2.2835-2.2845	0.32-0.22cpm	1.42	0.58-0.46pm	0.91
Netherlands	3.34¼-3.35¼	3.34½-3.35½	1⅛-1cpm	4.25	3⅛-3pm	3.88
Belgium	62.11-62.55	62.45-62.55	12-10cpm	2.11	35-29pm	2.05
Denmark	11.47¼-11.52¼	11.50½-11.51½	¾-1¼oredis	1.17	3⅞-4⅜dis	1.50
Ireland	1.1155-1.1175	1.1165-1.1175	0.04dis-0.06pm	0.11	0.07dis-0.08pm	0.02
W. Germany	2.97-2.98	2.97¼-2.98¼	1½-1¼pfpm	5.54	4-3⅞pm	5.21
Portugal	239.78-242.00	241.00-242.00	42-98cdis	-3.48	199-292dis	-4.07
Spain	198.17-198.80	198.40-198.70	84-154cdis	-7.19	202-275dis	4.80
Italy	2186¼-2197¾	2193¼-2194¼	4-8liredis	-3.28	15-19dis	-3.10
Norway	11.25-11.31½	11.30½-11.31½	4¼-4¾oredis	4.77	14⅝-15⅜	-5.30
France	10.03¾-10.11¾	10.09-10.10	¼pm-¼cdis	-	1¼-¾pm	0.30
Sweden	10.65¼-10.69¼	10.68-10.69	¼pm-¾oredis	-0.07	1½-1¾dis	-0.56
Japan	237¾-238¾	237¾-238¾	1½-1¼pm	5.35	3-2¾pm	4.83
Austria	20.93-21.01	20.93-20.97	8¾-7¾gropm	4.48	24-20¼	4.23
Switzerland	2.45¼-2.46½	2.45½-2.26½	1⅜-1¼cpm	6.10	3⅞-3¾pm	5.28

Belgian rate is convertible francs. Financial franc 62.80-62.90 . Six-month forward dollar 1.21-1.16cpm 12 month 1.80-1.70cpm

DOLLAR SPOT- FORWARD AGAINST THE DOLLAR

November 2	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7260-1.7405	1.7385-1.7395	0.33-0.30cpm	2.17	1.21-1.16pm	2.73
Ireland†	1.5425-1.5545	1.5535-1.5545	0.22-0.17cpm	1.51	0.55-0.45pm	1.29
Canada	1.3127-1.3163	1.3140-1.3150	0.07-0.10cdis	-0.77	0.19-0.22dis	-0.62
Netherlands	1.9220-1.9400	1.9265-1.9275	0.36-0.33cpm	2.15	1.20-1.15pm	2.43
Belgium	35.80-36.05	35.90-36.00	1cdis-par	-0.17	7-4pm	0.31
Denmark	6.6050-6.6545	6.6175-6.6225	1.20-1.70oredis	-2.62	3.50-4.00dis	-2.26
Ireland	1.5425-1.5535	1.5535-1.5545	0.22-0.17cpm	1.36	0.55-0.45pm	1.16
W. Germany	1.7085-1.7240	1.7115-1.7125	0.52-0.49pfpm	3.52	1.60-1.55pm	3.66
Portugal	138¼-139	138½-139	50-80cdis	-6.80	170-220dis	-6.80
Spain	114.35-114.87	114.50-114.60	40-90cdis	-5.61	150-300dis	-6.47
Italy	1260-1270½	1261¼-1261¾	5.20-6.70liredis	-5.64	13.80-15.30dis	-4.59
Norway	6.4830-6.5270	6.5025-6.5075	3.70-4.00oredis	-7.09	11.00-11.30dis	-6.85
France	5.8000-5.8900	5.8025-5.8075	0.95-1.25cdis	-2.26	1.95-2.35dis	-1.48
Sweden	6.1560-6.1810	6.1425-6.1475	1.10-1.30oredis	-2.33	3.00-3.50dis	-2.11
Japan	136.70-138.00	137.00-137.10	0.38-0.35ypm	3.18	1.15-1.10pm	3.26
Austria	12.08-12.13¼	12.09½-13.00	2.60-2.20gropm	2.38	9.25-7.75pm	2.81
Switzerland	1.4120-1.4245	1.4145-1.4155	0.55-0.50cpm	4.43	1.40-1.34pm	3.87

† UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 36.10-36.20.

EURO-CURRENCY INTEREST RATES

Nov.2	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	9½-9⅜	9½-9⅜	9⅞-9¾	9⅝-9½	9⅝-9½	9⅝-9½
US Dollar	6⅞-6¾	6⅞-6⅝	7⅛-7	7⅝-7½	7⅝-7½	8⅛-8
Can. Dollar	7⅛-6⅞	7⅛-6⅞	7⅞-7¾	8⅛-7⅞	8⅞-8⅝	9-8⅞
D. Guilder	5⅛-5	5⅛-4⅞	5-4⅞	5⅜-5¼	5⅜-5¼	5⅜-5¼
Sw. Franc	1½-1¼	1⅝-1½	2⅝-2½	3⅝-3½	3⅝-3½	3⅞-3¾
Deutschmark	3⅝-3½	3¾-3⅝	3⅞-3¾	4⅛-4	4⅛-4	4⅛-4
Fr. Franc	8-7¾	9½-9¼	9⅛-9	9⅛-9	9⅛-9	9⅛-9
Italian Lire	11-10	16-13	14-13	12⅝-12⅛	12⅛-11⅞	12⅛-11⅞
B. Fr. (Fin)	7¼-7⅛	7⅛-6⅞	7¼-6⅞	7¼-7⅛	7⅜-7¼	7⅜-7¼
B. Fr. (Con.)	7⅛-6⅞	7⅛-6⅞	7⅛-6⅞	7⅛-6⅞	7¼-7	7⅜-7¼
Yen	4⅝-4½	4⅝-4½	4⅝-4½	4⅝-4½	4⅝-4½	4⅝-4½
D. Krone	9⅞-9⅝	10⅛-9¾	10⅝-10⅛	10⅝-10⅛	10⅝-10⅛	11-10⅝
Asian $Sing	6⅞-6⅝	7-6¾	7⅛-7⅛	7¼-7⅛	7⅞-7⅞	8⅛-8¼

Long term Eurodollars: two years 8⅝-8½ per cent; three years 9⅛-8⅞ per cent; four years 9⅜-9¼ per cent; five years 9⅝-9½ per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

Nov.2	£	$	DM	Yen	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
£	1	1.739	2.978	238.3	10.10	2.460	3.350	2194.	2.284	62.50
$	0.575	1	1.712	137.1	5.805	1.415	1.927	1262.	1.313	35.95
DM	0.336	0.584	1	80.02	3.390	0.826	1.125	736.8	0.767	20.99
YEN	4.197	7.299	12.50	1000	42.37	10.33	14.06	9208.	9.587	262.3
F Fr.	0.991	1.723	2.949	236.0	10	2.437	3.318	2173.	2.263	61.91
S Fr.	0.407	0.707	1.210	96.85	4.104	1	1.362	891.8	0.928	25.41
H Fl.	0.299	0.519	0.889	71.12	3.013	0.734	1	654.9	0.682	18.66
Lira	0.456	0.793	1.357	108.6	4.602	1.121	1.527	1000.	1.041	28.49
C $	0.438	0.761	1.304	104.3	4.420	1.077	1.467	960.5	1	27.36
B Fr.	1.600	2.782	4.764	381.2	16.15	3.936	5.360	3510.	3.654	100.

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

FINANCIAL FUTURES

Gilts show little change

Long gilt futures were virtually unchanged in the London International Financial Futures Exchange yesterday in relatively quiet trading. The contract saw over 15,000 lots traded but this was less than half the average seen last week and reflected current market uncertainty.

While there appeared to be no immediate pressure for another base rate cut, dealers remained optimistic and still saw the chance of another cut after tonight's speech by the Mr Nigel Lawson, Chancellor of the Exchequer.

In the absence of any fresh lead, most people were content to stay on the sidelines which accounted for the drop in volume. Gilt prices were little changed from Friday, opening at 120-23 but meeting with early selling down to a low of 120-10. Prices recovered on short covering up to 120-24 and peaked at 120-28. However values retreated once more as US bonds opened in the US on a lower tack before another bout of short covering saw the December contract close at 120-23, unchanged from the opening and only slightly changed from Friday's close of 120-20.

US Treasury bonds were unsettled by uncertainties within the market on the vulnerability of the dollar and current discussions to reduce the US budget deficit. Many dealers held out little hope for either because there were growing doubts about the authorities' ability to agree a cut in the budget deficit of a size sufficient to allay market fears.

In addition there was a good deal of uncertainty ahead of the three-day Treasury refunding programme, starting later today, and the level of foreign participation.

The December contract opened at 87-04 and slipped to 87-00 in the first few hours before easing further after the opening of Chicago, to a low of 86-22. It closed at 86-25 down from 87-03.

LIFFE LONG GILT FUTURES OPTIONS

Strike Price	Calls-Last Dec	Calls-Last Mar	Puts-Last dec	Puts-Last Mar
106	14.46	14.51	0.00	0.02
108	12.46	12.56	0.00	0.10
110	10.47	11.01	0.01	0.19
112	8.48	9.16	0.02	0.34
114	6.51	7.39	0.05	0.57
116	4.60	6.07	0.14	1.25
118	3.16	4.45	0.34	1.63
120	1.59	3.40	1.13	2.58

Estimated volume total, Calls 1993 Puts 432
Previous day's open int: Calls 40319 Puts 29493

LIFFE US TREASURY BOND FUTURES OPTIONS

Strike Price	Calls-Last Dec	Calls-Last Mar	Puts-Last Dec	Puts-Last Mar
70	16.50	15.56	0.00	0.04
72	14.50	13.61	0.00	0.00
74	12.51	12.05	0.01	0.17
76	10.53	10.18	0.03	0.30
78	8.56	8.39	0.06	0.51
80	6.61	7.03	0.11	1.15
82	5.08	5.42	0.22	1.54
84	3.30	4.28	0.44	2.40

Estimated volume total, Calls 41 Puts 15
Previous day's open int: Calls 2637 Puts 2139

LIFFE FT-SE 100 INDEX FUTURES OPTIONS

Strike Price	Calls-Last Nov	Calls-Last Dec	Puts-Last Nov	Puts-Last Dec
17000	9.97	14.50	6.87	11.40
17250	8.69	13.28	8.09	12.68
17500	7.53	12.15	9.43	14.05
17750	6.49	11.09	10.89	15.49
18000	5.56	10.10	12.46	17.00
18250	4.73	9.18	14.13	18.58
18500	4.00	8.33	15.90	20.23
18750	3.37	7.54	17.77	21.94

Estimated volume total, Calls 0 Puts 0
Previous day's open int: Calls 64 Puts 168

LIFFE £/$ OPTIONS
£25,000 (cents per £1)

Strike Price	Calls-Last Nov	Calls-Last Dec	Calls-Last Jan	Calls-Last Mar	Puts-Last Nov	Puts-Last Dec	Puts-Last Jan	Puts-Last Mar
1.50	23.00	23.00	—	23.00	0.00	0.00	—	0.10
1.55	18.00	18.00	18.00	18.00	0.00	0.01	0.08	0.33
1.60	13.00	13.00	13.00	13.03	0.00	0.08	0.34	0.88
1.65	8.00	8.04	8.50	9.12	0.02	0.45	1.07	1.97
1.70	3.36	4.24	5.03	5.92	0.49	1.65	2.60	3.77
1.75	0.70	1.75	2.60	3.55	2.83	4.16	5.17	6.40
1.80	0.05	0.54	1.16	1.95	7.18	7.95	8.73	9.80

Estimated volume total, Calls 97 Puts 0
Previous day's open int: Calls 557 Puts 1376

LIFFE SE £/$ OPTIONS
£12,500 (cents per £1)

Strike Price	Calls-Last Nov	Calls-Last Dec	Calls-Last Jan	Calls-Last Mar	Puts-Last Nov	Puts-Last Dec	Puts-Last Jan	Puts-Last Mar
1.45	—	12.90	—	—	—	2.70	—	—
1.50	20.60	20.60	—	20.60	0.30	0.30	—	0.30
1.55	18.40	18.40	—	18.50	0.30	0.30	—	0.40
1.60	13.40	13.40	13.40	13.40	0.30	0.40	0.60	0.90
1.65	8.20	8.60	9.00	9.50	0.30	0.75	1.30	2.15
1.70	3.50	4.80	5.40	6.25	0.85	1.85	2.70	3.90
1.75	1.00	1.95	2.90	3.80	2.90	4.15	5.15	6.35

Estimated volume total, Calls N/A Puts N/A
Previous day's open int: Calls 987 Puts 157

PHILADELPHIA SE £/$ OPTIONS
£12,500 (cents per £1)

Strike Price	Calls-Last Nov	Calls-Last Dec	Calls-Last Jan	Calls-Last Mar	Puts-Last Nov	Puts-Last Dec	Puts-Last Jan	Puts-Last Mar
1.650	7.60	8.00	8.35	8.90	0.05	10.40	1.00	11.95
1.675	5.40	5.90	6.55	7.25	0.15	10.85	1.65	2.70
1.700	3.35	4.10	4.90	5.60	0.50	11.60	2.40	3.70
1.725	1.70	2.60	3.60	4.45	1.30	2.50	3.70	4.80
1.750	0.85	1.80	2.60	3.40	2.70	3.95	4.95	6.20
1.775	—	1.05	2.05	2.50	—	5.70	—	7.75
1.800	0.15	0.65	1.45	2.20	7.00	7.75	—	9.40

Estimated volume total, Calls 1.762 Puts 735
Previous day's open int: Calls 102,948 Puts 77,806

LIFFE- EURODOLLAR OPTIONS
$1m points of 100%

Strike Price	Calls-Last Dec	Calls-Last Mar	Calls-Last Jun	Calls-Last Sep	Puts-Last Dec	Puts-Last Mar	Puts-Last Jun	Puts-Last Sep
89.75	2.53	2.41	2.09	1.96	0.00	0.07	0.19	0.39
90.00	2.28	2.18	1.88	1.77	0.00	0.09	0.23	0.45
90.25	2.03	1.96	1.67	1.59	0.00	0.12	0.27	0.52
90.50	1.79	1.74	1.48	1.41	0.01	0.15	0.33	0.59
90.75	1.54	1.53	1.30	1.25	0.02	0.19	0.40	0.68
91.00	1.31	1.33	1.12	1.09	0.03	0.24	0.47	0.77
91.25	1.08	1.15	0.96	0.94	0.05	0.31	0.56	0.87

Estimated volume total, Calls 1 Puts 55
Previous day's open int: Calls 2459 Puts 2209

LONDON

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev.
Dec	120-23	120-28	120-10	120-20
Mar	120-23	120-24	120-18	120-19

Estimated Volume 15046 31100
Previous day's open int. 25770 (27599)

6% NOTIONAL LONG TERM JAPANESE GOVT. BOND Y100m 100ths of 100%.

	Close	High	Low	Prev.
Dec	105.47	105.70	105.40	105.60
Mar	104.97	104.97	104.97	105.10

Estimated Volume 277 521
Previous day's open int. 476 (547)

THREE MONTH STERLING
£500,000 points of 100%

	Close	High	Low	Prev.
Dec	90.91	91.03	90.88	90.90
Mar	91.02	91.08	90.97	90.95
Jun	90.89	90.93	90.86	90.80
Sep	90.82	90.84	90.84	90.74
Dec	90.76	-	-	90.68

Estimated Volume 3280 12329
Previous day's open int. 19256 (19539)

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev.
Dec	173.30	173.60	170.50	175.40
Mar	177.30	-	-	178.90

Estimated Volume 1459 3741
Previous day's open int. 8711 (9145)

THREE MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev.
Dec	92.28	92.42	92.26	92.50
Mar	92.09	92.22	92.09	92.30
Jun	91.65	91.74	91.66	91.78
Sep	91.32	91.40	91.29	91.38
Dec	91.06	-	-	91.09
Mar	90/89	-	-	90.92
Jun	90.75	-	-	90.78

Estimated Volume 5138 8419
Previous day's open int. 37028 (37143)

U.S. TREASURY BONDS 8%
$100,000 32nds of 100%

	Close	High	Low	Prev.
Dec	86-25	87-11	86-22	87-03
Mar	85-26	86-03	86-03	86-04

Estimated Volume 5750 7352
Previous day's open int. 13207 (12742)

CURRENCY FUTURES

POUND-$ (FOREIGN EXCHANGE)

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.7390	1.7359	1.7324	1.7272	1.7215

IMM-STERLING $s per £

	Close	High	Low	Prev.
Dec	1.7255	1.7270	1.7240	1.7190
Mar	1.7230	1.7250	1.7200	1.7140
Jun	1.7125	1.7180	0	1.7070

LIFFE-STERLING £25,000 $ per £

	Close	High	Low	Prev.
Dec	1.7390	1.7252	1.7252	1.7187
Mar	1.7215	-	-	1.7177
Sep	1.7165	-	-	1.7080

Estimated volume 5 150
Previous day's open int. 179 (27)

CHICAGO

U.S. TREASURY BONDS (CBT) 8%
$100,000 32nds of 100%

	Close	High	Low	Prev.
Dec	86-28	87-12	86-25	87-18
Mar	85-30	86-11	85-26	86-19
Jun	85-04	85-01	0	85-25
Sep	0	0	0	84-13
Dec	0	83-23	83-23	83-26
Mar	0	0	0	83-09
Jun	0	0	0	82-25
Sep	0	0	0	82-10
Dec	0	0	0	81-28
Mar	0	0	0	81-28
Jun	0	0	0	81.15

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Close	High	Low	Prev.
Dec	93.94	94.10	93.94	94.12
Mar	93.41	93.52	93.41	93.52
Jun	92.93	92.93	92.93	93.04
Sep	92.66	0	92.66	92.71
Dec	92.42	0	92.42	92.45
Mar	0	0	0	92.21

SWISS FRANC (IMM)
SFr 125,000 $ per SFr

	Close	High	Low	Prev.
Dec	0.7071	0.7077	0.7058	0.7026
Mar	0.7136	0.7143	0.7128	0.7099
Jun	0.7210	0.7210	0	0.7161
Sep	0	0	0	0.7225

JAPANESE YEN (IMM)
Y12.5m $ per Y100

	Close	High	Low	Prev.
Dec	0.7291	0.7291	0.7277	0.7254
Mar	0.7351	0.7351	0.7343	0.7315
Jun	0	0	0	0.7315
Sep	0	0	0	0.7437

DEUTSCHE MARK (IMM)
DM125,000 $ per DM

	Close	High	Low	Prev.
Dec	0.5837	0	0.5830	0.5811
Mar	0.5837	0.5894	0.5885	0.5858
Jun	0	0	0	0.5910
Sep	0	0	0	0.5962

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Close	High	Low	Prev.
Dec	92.32	92.40	92.27	92.42
Mar	92.12	92.19	92.08	92.22
Sep	91.32	91.36	91.28	91.74
Dec	91.07	91.10	91.05	91.38
Mar	90.88	90.89	90.87	91.11
Jun	90.72	0	90.72	90.90
Sep	0	0	0	90.59

STANDARD & POORS 500 INDEX
$500 times index

	Latest	High	Low	Prev.
Dec	0	0	0	259.35
Mar	0	0	0	260.80
Jun	0	0	0	262.75
Sep	0	0	0	266.50

LIFFE
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For further information contact
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Telex: 893893 LIFFE G Fax: 01-588 3624

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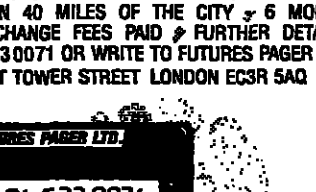

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FT 30			FTSE 100			WALL STREET		
Nov.	1332/1347	-28	Nov.	1715/1730	-28	Nov.	1980/2000	-40
Dec.	1324/1339	-41	Dec.	1705/1720	-48	Dec.	1985/2005	-40

Dealing hours from 9am to 9pm. Prices taken at 5pm.

£ WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on November.2 1987 . In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on US dollar parities and going sterling-dollar rates; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate; (exC) exchange certificate rate; (nc) non commercial rate; (nom) nominal; (o) official rate; (sg) selling rate; (c) controlled rate.

COUNTRY	CURRENCY	VALUE OF £ STERLING	COUNTRY	CURRENCY	VALUE OF £ STERLING	COUNTRY	CURRENCY	VALUE OF £ STERLING
Afghanistan	Afghani	99.25	Gibraltar	Gibraltar £	1.0	Paraguay	Guarani	(554.08 (1644.10
Albania	Lek	10.2601	Greece	Drachma	232.33			
Algeria	Dinar	9.0791	Greenland	Danish Krone	11.5125			
Andorra	French Franc Spanish Peseta	(10.0950 (198.55	Grenada	E. Caribbean $	4.67			
			Guadaloupe	Local Franc	10.0950	Peru	Inti	exc(o)27.505 (34.49
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

MONEY MARKETS

UK money rates ease slightly

Interest rates were marginally lower in the London money market yesterday. Sterling remained firm and traders were expecting an encouraging response from tonight's Autumn economic statement from Mr Nigel Lawson, Chancellor of the Exchequer.

There were real hopes that public spending as a percentage of total income would be reduced and at the same time leave the Chancellor sufficient leeway to introduce a significant reduction in personal taxation in next year's budget.

UK clearing bank base lending rate 9½ per cent from October 26.

In addition markets were still looking for another cut in clearing bank base rates, with some suggesting that a fall today in West German intervention rates would pave the way for another half a point cut to coincide with the Chancellor's speech.

Interest rates were certainly leaning that way, with interbank rates showing a flat path from one month out to one year at a rate significantly below the 9½ p.c. base rate level. Three-month interbank money was quoted at 9⅜-9¼ p.c. compared with 9⁷⁄₁₆-9⁵⁄₁₆ p.c.

The Bank of England did not give any assistance in the morning which was hardly surprising because discount houses were picking up bills at around 9 p.c. while the authorities were still dealing at 9⅜ p.c.

Overnight interbank money opened at 9⅝-9¾ p.c. and moved up to 9¾-10 p.c. as there was no help given in the morning. In the afternoon rates touched a low of 6 p.c. after the over help but late balances were taken up to 9 p.c.

The Bank forecast a shortage of around £250m, with factors affecting the market including repayment of any late assistance and bills maturing in official hands together with a take up of Treasury bills draining £565m and the unwinding of previous sale and repurchase agreements a further £571m. These were partly offset by Exchequer transactions which added £375m and a fall in the note circulation of £520m. In addition banks brought forward balances a nominal £5m above target.

The forecast was revised to a shortage of around £200m and the Bank gave no assistance in the morning.

Assistance in the afternoon comprised outright purchases of £193m of eligible bank bills in band 1 at 9⅜ p.c. Late help came to £155m.

FT LONDON INTERBANK FIXING

(11.00 a.m. Nov.2) 3 months US dollars		6 months US Dollars	
bid 7⅝	offer 7¾	bid 7⅝	offer 7¾

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK
(Lunchtime)

		Treasury Bills and Bonds			
Prime rate	9.00	One month	4.17	Three year	8.03
Broker loan rate	8.00	Two month	4.98	Four year	8.31
Fed.funds	6.50	Three month	5.60	Five year	8.48
Fed.funds at intervention	6.94	Six month	6.39	Seven year	8.82
		One year	6.89	10-year	9.01
		Two year	7.70	30-year	9.15

Nov.2	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	3.60-3.70	3.60-3.75	3.90-4.10	4.00-4.15	4.10-4.25	5.00
Paris	7⅞-7⅞	7⅞-7⅞	7⅞-8⅛	8⅛-8⅛	8⅛-8⅞	7½
Zurich	1-1½	2⅝-2⅞	—	3⅝-3	—	—
Amsterdam	5⅛-5⅛	5⅛-5⅛	—	5⅛-5⅛	—	—
Tokyo	3.34375	3.84375	—	3.96875	—	—
Milan	10-10½	10⅛-10⅝	—	11⅞-12	—	—
Brussels	3.90	6⅞-7	—	7⅛-7⅛	—	—
Dublin	8⅛-8½	8⅞-9	9-9¼	9⅛-9¼	9½-9⅜	—

LONDON MONEY RATES

November 2	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank	10.5-7.0	9.63-9.38	9.38-9.75	9.38-9.25	9.38-9.25	9.38-9.25
Sterling CDs	-	-	9.375	9.25	9.25	9.25
Local Authority Deps.	9.375	9.375	9.25	9.25	9.313	9.375
Local Authority Bonds	-	-	9.438	9.438	9.438	9.438
Discount Mkt Deps.	9.50-8.75	9.375	9.00	8.75	8.625	-
Company Deposits	9.50-9.25	9.625	9.375	9.375	9.375	9.375
Finance House Deposits	-	-	9.313	9.375	9.375	9.375
Treasury Bills (Buy)	-	-	9.063	9.125	-	-
Bank Bills (Buy)	-	-	9.18	9.00	8.88	-
Fine Trade Bills (Buy)	-	-	9.82	9.625	9.50	-
Dollar CDs	-	-	7.15-7.10	7.65-7.60	7.70-7.65	8.05-8.00
SDR Linked Deposits	-	-				
ECU Linked Deposits	-	-				

Treasury Bills (sell); one-month 8⅞ per cent; three months 9 per cent; Bank Bills (sell): one-month 9⅞ per cent; three months 8⅞ per cent; Treasury Bills; Average tender rate of discount 9.7858 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day October 30 , 1987. Agreed rates for period November 25 to December 25 , 1987, Scheme I: 11.36 p.c., Schemes II & III: 11.29 p.c. Reference rate for period October 1 to October 30 , 1987, Scheme IV: 10.094 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 10.5 from November 1 , 1987: Bank Deposit Rates for sums at seven days notice 3-3.5 per cent. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month - per cent; one-three months - per cent; three-six months - per cent; six-nine months - per cent; nine-twelve months - per cent; Under £100,000 - per cent from Octoberer 15 , Deposits withdrawn for cash - per cent.

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WORLD MARKETS

FT-ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	MONDAY NOVEMBER 2 1987					FRIDAY OCTOBER 30 1987			DOLLAR INDEX		
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1987 High	1987 Low	Year ago (approx)
Australia (90)	102.12	+2.9	87.07	100.15	3.93	99.26	85.46	97.84	180.81	97.40	90.56
Austria (16)	96.16	+1.9	81.98	85.90	2.41	94.39	81.26	84.89	102.87	85.53	91.97
Belgium (48)	102.72	+0.6	87.57	91.57	5.15	102.15	87.95	91.57	134.89	96.19	88.70
Canada (128)	107.11	+1.9	91.32	101.96	2.93	105.12	90.51	100.14	141.78	98.15	99.08
Denmark (38)	108.97	+1.7	92.90	98.11	2.99	107.12	92.23	97.28	124.83	98.18	94.18
France (121)	87.68	+1.2	74.75	79.84	3.42	86.67	74.62	79.84	121.82	79.10	92.47
West Germany (93)	82.38	−0.3	70.23	73.32	2.57	82.66	71.17	74.26	104.93	77.58	91.48
Hong Kong (46)	84.63	−1.0	72.15	84.86	5.70	85.53	73.63	85.69	158.68	84.63	87.55
Ireland (14)	112.60	+0.7	95.99	102.09	4.35	111.86	96.31	102.79	160.22	99.50	85.15
Italy (95)	79.10	−0.5	67.44	74.52	2.53	79.52	68.46	75.83	112.11	76.66	100.32
Japan (458)	139.13	+3.5	118.61	120.53	0.56	134.44	115.75	117.57	161.28	100.00	86.48
Malaysia (36)	111.64	+5.4	95.18	107.86	3.37	105.95	91.22	102.61	193.64	98.24	106.37
Mexico (14)	241.18	+4.2	205.62	434.05	0.69	231.55	199.36	416.21	422.59	99.72	85.50
Netherland (37)	99.36	−2.1	84.71	87.39	5.09	101.44	87.34	89.94	131.41	94.77	99.50
New Zealand (23)	86.52	+0.0	73.76	76.58	3.84	86.53	74.50	77.95	138.99	83.93	87.52
Norway (24)	128.68	+3.3	109.71	113.62	2.39	124.54	107.23	110.85	185.01	100.00	102.08
Singapore (27)	101.71	+6.3	86.71	96.81	2.47	95.71	82.40	91.30	174.28	90.19	105.88
South Africa (61)	131.87	+1.3	112.42	101.17	4.07	130.14	112.05	101.63	198.09	100.00	92.00
Spain (43)	130.87	+6.9	111.57	113.57	3.53	122.39	105.37	106.63	168.81	100.00	87.63
Sweden (34)	106.00	+0.3	90.37	96.43	2.36	105.66	90.97	96.87	136.64	90.85	101.32
Switzerland (53)	86.94	+1.9	74.12	76.27	2.16	85.31	73.45	75.61	111.11	80.90	90.27
United Kingdom (333)	122.55	−0.4	104.48	104.48	4.32	122.98	105.88	105.88	162.87	99.65	93.43
USA (583)	104.29	+1.3	88.91	104.29	3.51	102.99	88.67	102.99	137.42	92.83	102.25
Europe (949)	102.21	+0.2	87.14	89.66	3.69	102.05	87.86	90.38	130.02	97.63	99.26
Pacific Basin (680)	135.72	+3.4	115.71	118.52	0.77	131.28	113.02	115.70	158.77	100.00	86.76
Euro—Pacific (1629)	122.35	+2.3	104.31	107.00	1.75	119.63	103.00	105.60	143.65	100.00	89.33
North America (711)	104.44	+1.3	89.04	104.18	3.48	103.10	88.77	102.85	137.55	93.20	102.08
Europe Ex. UK (616)	89.59	+0.6	76.38	80.49	3.16	89.07	76.68	80.77	111.97	84.82	93.18
Pacific Ex. Japan (222)	94.59	+1.7	80.65	92.55	4.37	93.05	80.12	91.42	164.03	91.55	90.33
World Ex. US (1832)	122.00	+2.3	104.01	106.97	1.81	119.31	102.72	105.57	143.38	100.00	89.70
World Ex. UK (2082)	114.42	+2.2	97.55	106.33	2.20	112.00	96.43	104.67	138.82	100.00	94.71
World Ex. So. Af. (2354)	115.02	+1.9	98.06	106.12	2.39	112.86	97.17	104.74	139.47	100.00	94.61
World Ex. Japan (1957)	103.64	+0.9	88.36	98.79	3.59	102.70	88.42	98.25	134.22	96.44	98.49
The World Index (2415)	115.12	+1.9	98.15	106.11	2.40	112.97	97.26	104.74	139.73	100.00	94.59

Base values: Dec 31, 1986 = 100

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Belgian and French markets closed for public holidays on November 2.

New York market closed at 14:00 hrs October 30 & 14:30 hrs local time November 2.

EUROPEAN OPTIONS EXCHANGE

Series		Nov 87		Feb 88		May 88		
		Vol.	Last	Vol.	Last	Vol.	Last	Stock
GOLD C	$500	62	3	10	14.50	—	—	$469.80
GOLD C	$520	35	1.60B	35	9.50	—	—	"
GOLD P	$400	15	0.30	30	2.50	—	—	"
GOLD P	$420	—	—	100	5.50	12	7	"
GOLD P	$440	—	—	25	10	30	12.50	"
GOLD P	$460	8	5.50	35	16.50B	—	—	"
		Dec 87		Mar 88		Jun 88		
SILVER C	$700	8	40	—	—	—	—	$701
SILVER P	$700	—	—	7	61	—	—	"
		Nov. 87		Dec. 87		Jan. 87		
$/FL C	FL195	553	2	40	2.70	45	3.40	FL193.20
$/FL C	FL200	15	0.70	21	1.50	120	2.20	"
$/FL C	FL205	9	0.20	44	0.80	—	—	"
$/FL C	FL210	—	—	10	0.50	—	—	"
$/FL P	FL185	—	—	51	1.60	10	2.20	"
$/FL P	FL190	52	1.80	522	3	157	4	"
$/FL P	FL195	32	3.60	99	5.50	36	6.30	"
$/FL P	FL200	49	7.70	127	8.20	5	10	"
$/FL P	FL205	—	—	146	12.40	—	—	"
$/FL P	FL210	—	—	10	17.70	5	17.50	"
$/FL P	FL215	—	—	9	22.40	—	—	"
		Mar. 88		June 88		Sep. 88		
$/FL C	FL195	34	4.80	—	—	—	—	FL193.20
$/FL C	FL200	15	3	5	4.20	—	—	"
$/FL C	FL205	51	1.60	—	—	—	—	"
$/FL C	FL210	—	—	120	1.50	—	—	"
$/FL P	FL190	53	5.50	—	—	—	—	"
$/FL P	FL200	28	11.30	14	14	30	14	"
		Jan. 88		Apr. 88		Jul. 88		
ABN C	FL40	186	2.60	54	4.40	3	5	FL37.80
ABN P	FL48	285	11.20	120	12	—	—	"
AEGON C	FL60	67	5.60	1	8	—	—	FL59.50
AEGON P	FL60	27	5.40	—	—	—	—	"
AHOLD C	FL75	2	5	30	7.20	—	—	FL68.90
AHOLD P	FL65	16	5.80	—	—	—	—	"
AKZO C	FL140	558	4	24	7.60	40	10	FL117
AKZO P	FL130	188	18.20	138	21.50B	—	—	"
AMEV C	FL45	313	3.30	26	4.20	12	6	FL42.50
AMEV P	FL45	291	4.80	—	—	—	—	"
AMRO C	FL65	90	3.20	12	4.50	2	5.80	FL62.20
AMRO P	FL65	—	—	60	6.50	—	—	"
ELSEVIER C	FL45	72	3.50	7	5.20A	—	—	FL42.50
GIST-BROC. C	FL35	116	3.80	6	5.20	1	5.80	FL34
GIST-BROC. P	FL35	175	3.70	60	4.50	—	—	"
HEINEKEN C	FL150	19	6.50	—	—	—	—	FL137.50
HEINEKEN P	FL120	24	7.40	—	—	3	11	"
HOOGOVENS C	FL45	55	1.10	—	—	1	2.50	FL33.60
HOOGOVENS P	FL30	65	1.60	—	—	—	—	"
KLM C	FL40	238	2.20	24	4.10	13	5.20	FL34.80
KLM P	FL45	25	11.70	8	12.50	105	13.20	"
NEDLLOYD C	FL200	25	2.30	—	—	—	—	FL135
NAT NED C	FL60	71	2	—	—	10	4.20	FL50.20
NAT NED P	FL50	142	4.30	—	—	10	6	"
PHILIPS C	FL55	479	0.20	—	—	3	0.80	FL33.50
PHILIPS P	FL35	380	4.30	128	5.40	42	5.80	"
ROYAL DUTCH C	FL230	275	7.80	75	14	13	16.50	FL210.30
ROYAL DUTCH P	FL200	118	7.70	13	12	—	—	"
UNILEVER P	FL100	98	6.70A	24	9.20	11	12.80	FL107.80

TOTAL VOLUME IN CONTRACTS: 26,958

A=Ask B=Bid C=Call P=Put

BASE LENDING RATES

	%		%		%
ABN Bank	9½	● Charterhouse Bank	9½	Nat Bk. of Kuwait	9½
Adam & Company	9½	Citibank NA	9½	NatWestminster	9½
Allied Arab Bk Ltd	9½	City Merchants Bank	9½	Northern Bank Ltd	9½
Allied Dunbar & Co	9½	Clydesdale Bank	9½	Norwich Gen. Trust	9½
Allied Irish Bank	9½	Comm. Bk. N. East	9½	PK Finans. Intl (UK)	10
American Exp. Bk	9½	Consolidated Cred	9½	Provincial Trust Ltd	11
Amro Bank	9½	Co-operative Bank	★ 9½	R. Raphael & Sons	9½
Henry Ansbacher	9½	Cyprus Popular Bk	9½	Roxburghe G'rantee	10½
ANZ Banking Group	9½	Duncan Lawrie	9½	Royal Bk of Scotland	9½
Associates Cap Corp	10	Equat'r'l Tst C'p plc	10	Royal Trust Bank	9½
Authority & Co Ltd	9½	Exeter Trust Ltd	10	Smith Williams Secs	9½
Banco de Bilbao	9½	Financial & Gen. Sec	9½	Standard Chartered	9½
Bank Hapoalim	9½	First Nat. Fin. Corp	10½	TSB	9½
Bank Leumi (UK)	9½	First Nat. Sec. Ltd	10½	UDT Mortgage Exp	¶11.1
Bank Credit & Comm	9½	● Robert Fleming & Co	9½	United Bk of Kuwait	9½
Bank of Cyprus	9½	Robert Fraser & Ptrs	10½	United Mizrahi Bank	9½
Bank of Ireland	9½	Girobank	9½	Unity Trust PLC	9½
Bank of India	9½	Grindlays Bank	9½	Western Trust	10
Bank of Scotland	9½	● Guinness Mahon	9½	Westpac Bank Corp	9½
Banque Belge Ltd	9½	HFC Trust & Savings	9½	Whiteaway Laidlaw	10
Barclays Bank	9½	● Hambros Bank	9½	Yorkshire Bank	9½
Benchmark Tst Ltd	9½	Heritable & Gen. Tst	9½		
Beneficial Trust Ltd	11	● Hill Samuel	§ 9½		
Berliner Bank AG	9½	C. Hoare & Co	9½		
Brit Bk of Mid East	9½	Hongkong & Shangh	9½		
● Brown Shipley	9½	Lloyds Bank	9½		
Business Mtge Tst	10	Meghraj & Sons Ltd	9½		
CL Bank Nederland	9½	Midland Bank	9½		
Central Capital	9½	● Morgan Grenfell	9½		
Cayzer Ltd	9½	Mt Credit Cpn Ltd	10		

● Members of the Accepting Houses Committee. ★ 7-day deposits 5%. Savewise 7.66%. Top Tier—£2,500+ at 3 months' notice 9.31%. At call when £10,000+ remains deposited. ¶ Mortgage base rate. § Demand deposit 4.49%. Mortgage 11.125%.

Svenska&CompanyLtd
STOCKBROKERS

"The man who makes no mistakes does not usually make anything"
BISHOP W C MAGEE

MEMBERS OF THE STOCK EXCHANGE
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For further details please call Richard Stone or Stephen Cook on 01 377 6066.
Or write to Svenska & Company Ltd, 14 Devonshire Row, London EC2M 4RH.

GRANVILLE

SPONSORED SECURITIES

High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E
206	133	Ass. Brit. Ind. Ordinary	201	—	7.3	3.6	12.3
206	145	Ass. Brit. Ind. CULS	201	—	10.0	5.0	—
41	32	Armitage & Rhodes	32	—	4.2	13.1	4.5
142	65	BBB Design Group (USM)	65xd	−4	2.1	3.2	10.4
188	108	Bardon Group	173	−2	2.7	1.5	29.6
186	95	Bray Technologies	170xd	−2	4.7	2.8	13.6
281	130	CCL Group Ordinary	270	—	11.5	4.3	6.9
147	99	CCL Group 11% Conv. Pref.	140	—	15.7	11.2	—
171	136	Carborundum Ordinary	166xd	−2	5.4	3.2	14.4
102	91	Carborundum 7.5% Pref.	102	—	10.7	10.5	—
180	87	George Blair	168xd	—	3.7	2.2	4.3
143	119	Isis Group	100	−3	—	—	—
104	59	Jackson Group	104	—	3.4	3.3	11.5
780	350	Multihouse NV (AmstSE)	350	−30	—	—	13.9
81	35	Record Holdings (SE)	81	−1	0.1	—	16.4
114	83	Record Hldgs. 10pcPf.(SE)	114	—	14.1	12.4	—
91	60	Robert Jenkins	60	—	—	—	2.6
124	42	Scruttons	124xas	—	5.5	4.4	4.9
224	141	Torday & Carlisle	220	—	6.6	3.0	10.7
50	32	Trevian Holdings	50xc	+8	0.8	1.5	4.6
131	71	Unilock Holdings (SE)	71xd	−1	2.8	3.9	13.1
264	115	Walter Alexander (SE)	200xd	−5	5.9	3.0	14.8
201	190	W. S. Yeates	200	—	17.4	8.7	20.0
175	96	West Yorks. Ind. Hosp. (USM)	154	—	5.5	3.6	16.3

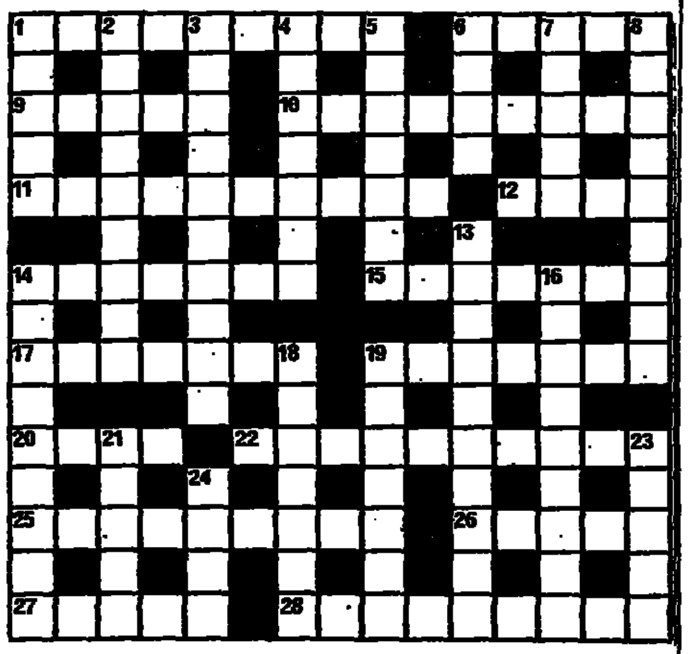
Securities designated (SE) and (USM) are dealt in subject to the rules and regulations of The Stock Exchange. Other securities listed above are dealt in subject to the rules of FIMBRA.

Granville & Company Limited
8 Lovat Lane, London EC3R 8BP
Telephone 01-621 1212
Member of FIMBRA

Granville Davies Coleman Limited
27 Lovat Lane, London EC3R 8DT
Telephone 01-621 1212
Member of the Stock Exchange

FT CROSSWORD PUZZLE No 6,472

QUARK



ACROSS

1 The heart of employment activity? (9)
6 A service returns. Tea is provided (5)
9 No century in cricket, being put in? (5)
10 Rhythmical account with lively tune in order mainly (9)
11 On course for the classics next season? (3-4-3)
12 Trust House, first class, one in the Country (4)
14 Give claim to style (7)
15 Counter-attack fully developed about drunken sot (7)
17 Draft could be (soldiers may be?) (5, 2)
19 Place in Canada where crag lay unexpectedly (7)
20 A bounder will cut heart of friends (4)
22 Hand out underworld testimony (10)
25 Man and French ever would be supportive of link with Europe (9)
26 Impregnate with dye? (5)
27 Man who found end of astronomy filling a gap? (5)
28 Very fatigued having given more than required (9)

DOWN

1 Meat—for more than one person? (5)
2 and 21 Tax protest (not in England, though) (6, 3, 5)
3 Enter somehow with a metallic sound, begging (10)
4 One of the Myrtaceae providing theme of 2 and 21? (3, 4)
5 Fish—mainly crab and sole, could be (7)
6 Non-volcanic eruption (4)
7 and 16 Financial crash that's a matter of history (5, 3, 6)
8 This business has overheads (9)
13 Game of minimal movement (10)
14 Ph.D. student with money recreated fluid in the ear (9)
16 see 7
18 Precise money raised for card game (7)
19 Exclusive group with resting-place by lake (7)
21 see 2
23 Make strenuous effort right beneath the river (5)
24 Member of acclaimed empire many years B.C. (4)

Solution to Puzzle No 6,471

M	I	N	O	T	A	U	R	■	T	H	O	L	E	S
A	■	I	■	I	■	P	■	■	■	E	■	A	■	A
D	O	N	A	T	I	S	M	■	P	R	I	M	E	R
R	■	E	■	A	■	T	■	S	■	M	■	B	■	C
A	T	T	E	N	D	A	N	T	■	I	M	A	G	E
S	■	Y	■	■	■	R	■	O	■	T	■	S	■	N
■	■	■	O	M	I	T	■	P	R	A	T	T	L	E
P	■	S	■	A	■	■	■	■	■	G	■	E	■	T
E	X	P	O	S	E	D	■	I	D	E	A	■	■	■
N	■	R	■	E	■	O	■	M	■	■	■	A	■	A
C	H	I	E	F	■	U	N	I	V	E	R	S	A	L
H	■	N	■	I	■	R	■	T	■	L	■	T	■	B
A	N	T	H	E	M	■	L	A	T	I	T	U	D	E
N	■	E	■	L	■	■	■	T	■	T	■	T	■	R
T	I	R	A	D	E	■	R	E	V	E	R	E	N	T

WESTMINSTER

The Financial Times proposes to publish a Survey on the above on

FRIDAY 11TH DECEMBER 1987

For a full editorial synopsis and details of available advertisement positions, please contact:

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FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

[illegible]

هكذا من الأصل

FT UNIT TRUST INFORMATION SERVICE

Mercury Fund Managers—Contd.

[illegible]	94.3	94.4	+0.1	8.19
[illegible]	111.8	112.3	+0.1	8.19
Global Fund	40.3	42.7	+1.3	0.82
(Accum Units)	40.3	42.7	+1.3	0.82
High Income Fund	44.0	46.5xd	-0.5	5.55
(Accum Units)	45.2	47.8xd	-0.4	5.55
High Interest Fund	48.8	49.5xd	+0.3	9.09
(Accum Units)	48.2	57.0xd	+0.3	9.09
Income	102.7	108.8	-1.1	2.31
(Accum Units)	118.6	125.9	-1.3	2.31
International	248.7	263.1	+9.0	1.52
(Accum Units)	311.3	329.4	+10.8	1.52
Japan	178.7	189.0	+6.8	0.79
(Accum Units)	183.4	194.0	+7.0	0.79
Pacific Fund	35.0	37.0	+1.7	0.18
(Accum Units)	35.0	37.0	+1.7	0.18
Recovery	247.3	261.6	—	1.84
(Accum Units)	270.8	286.5	—	1.84
UK Smaller Co's Fund	46.2	48.8xd	-0.2	2.02
(Accum Units)	46.5	49.3xd	-0.2	2.02

Merlin Fund Mngemt Ltd

30 St James St, London SW1A 1HB 01-925 1277

Merlin Oct 28	510.5	518.05	—	1.30

Metropolitan Unit Trust Mngrs Ltd

3 Darkes Lane, Potters Bar EN6 1AJ. 0707 45184

UK Income Fund	53.1	56.4	—	5.32
Accum Units	53.6	57.0	—	5.26
UK Growth Fund Acc	47.1	50.1	—	0.00
Global Income Fund	44.4	47.2	—	4.34
Accum Units	44.4	47.2	—	4.34
Global Growth Fund	37.4	39.7	—	0.65

Midland Bank Group UT Mngrs. Ltd

Courtwood House, Silver St, Head, Sheffield S1 3RD
Tel: 0742 769842

Capital	97.7	103.7	+0.1	1.48
(Accum Units)	135.2	143.5	+0.2	1.48
Commodity & Gen.	140.8	149.4xd	+0.2	1.81
(Accum Units)	202.7	215.0	+0.3	1.81
European Growth	101.9	108.2	+4.8	1.29
(Accum Units)	123.0	130.6	+5.7	1.29
Extra High Inc.	65.4	69.4xd	-0.1	7.18
(Accum Units)	81.3	86.3	-0.2	7.18
Gilt & Fxd. Int.	54.5	57.0	+0.1	8.20
(Accum Units)	96.8	101.1	—	8.20
High Yield	182.5	193.6	-1.2	4.99
(Accum Units)	328.8	348.8	-2.2	4.99
Income	196.7	208.8	-2.0	3.56
(Accum Units)	333.8	354.2	-3.3	3.56
Intl High St UT	45.7	48.5	-0.1	2.41
Do. Accum	45.7	48.5	-0.1	2.41
Japan and Pacific	275.3	292.1	+7.4	0.12
(Accum Units)	289.2	306.9	+7.9	0.12
Managed Portfolio Acc	56.0	59.3	+0.6	1.54
North American	97.2	103.2	+3.6	1.54
(Accum Units)	117.7	124.9	+4.4	1.54
Smaller Cos.	168.5	178.8	-0.3	1.33
(Accum Units)	182.4	193.6	-0.3	1.33

MIM Britannia Unit Tst Mgrs Ltd (a)(c)(g)

74-78 Finsbury Pavement, London EC2A 1JD
01-588 2777 Dealing only: 0800 010733

UK Specialist Trusts				
Growth Gilt	65.3	66.9	+0.1	0.32
Smaller Companies	200.0	213.3	-0.2	0.31
Special Features	121.9	130.0xd	-1.0	0.23
(Accum Units)	128.0	136.5	-1.1	0.22
General Funds				
Assets & Earnings	50.0	53.3	-0.9	1.50
Accum Units	50.3	53.7	-0.9	1.49
Managed Invest Fund	50.2	53.5	+0.7	1.20
UK Growth	40.2	42.9xd	-0.2	0.95
High Income Funds				
Extra Income	66.5	70.9	-0.8	6.35
Gilt	26.8	28.2	—	8.64
Income & Growth	238.5	254.2xd	-4.0	3.74
National High Income	217.2	231.7xd	-2.5	4.75
Preference Shares	19.8	21.1	—	8.70
Sector Specialist Funds				
Commodity Shares	156.7	167.1xd	+2.6	0.15
Financial Securities	43.1	46.0	+0.0	0.59
Gold	61.5	66.3	-0.3	0.00
Accum Units	64.0	69.0	-0.3	0.00
International Leisure	12.9	13.8	+0.4	0.00
Property Shares	77.8	83.0	-0.5	0.08
Universal Energy	48.8	52.1	-0.8	1.09
World Technology	34.1	36.4	+1.1	0.00
Exempt Funds				
Exempt	101.2	106.0xd	-1.1	3.33
Overseas Growth Funds				
American Growth	78.1	83.3	+1.9	1.45
US Smaller Companies	46.0	49.1	+1.2	0.00
(Accum Units)	46.5	49.6	+1.3	0.00
Australian Growth	58.4	62.3xd	+4.7	0.00
Europe Perf.	69.1	73.7	+3.5	0.50
(Accum Units)	69.3	73.9	+3.6	0.50
European Smaller Cos.	13.9	14.8xd	+0.3	0.90
Far East	52.7	56.2	+0.9	0.06
French Growth	33.9	36.2	+1.2	0.00
Accum Units	33.9	36.2	+1.2	0.00
Hong Kong	21.1	22.5	-0.5	5.11
International Growth	32.9	35.1xd	+0.9	0.86
International Recovery	96.4	102.8xd	+3.2	0.00
Japan Perf.	74.3	79.3	+1.2	0.00
Accum Units	74.5	79.3	+1.2	0.00
Japan Smaller Cos	16.8	17.9	+0.2	0.00

Provident Mutual Unit Trust Managers Ltd.

25-31 Moorgate, London, EC2R 6BA. 01-588 3963

PM Equity Growth	99.4	105.8	-0.1	1.19
PM Income and Growth	88.6	94.3	+1.0	3.59
PM N American Growth	42.5	45.2	+1.2	0.48
PM European Growth	40.9	43.5	+1.9	0.72
PM Japan Growth	61.7	65.6	+2.6	0.46
PM Overseas Growth	43.9	46.7	+1.5	0.54

Prudential Holborn Unit Trusts Ltd(a) (b) (c)

51-69 Ilford Hill, Ilford, Essex IG1 2DL 01-478 3377
Holborn LinkLine 0800 010946

Holborn Comm Tst.	59.8	64.5	—	0.50
Holborn Equity Income	60.9	65.4	—	3.93
Holborn Equity Tst.	449.0	482.7xd	—	2.80
Holborn European Tst.	89.1	95.9	—	0.87
Holborn High Inc Tst.	76.0	81.7xd	—	5.20
Holborn Intl Grth Tst	92.0	98.9	—	0.91
Holborn Intl Sm Co	38.3	41.1	—	0.06
Holborn Japanese Tst.	115.1	123.7	—	0.05
Holborn N. Amer Tst	61.6	68.1	—	0.71
Holborn Premier Inc	43.2	46.2	—	7.58
Holborn Sm Cos Tst.	62.4	67.0xd	—	1.85
Holborn Spec Sits Tst.	77.9	83.7	—	1.83
Holborn UK Growth Tst	86.4	92.9	—	2.10

Quilter Management Co Ltd

31-45 Gresham Street, London EC2 01-600 4177

Quadrant Gen. Fd	522.6	553.1xd	—	1.75
Quadrant Income	273.1	289.0	—	4.58
Quadrant Intl. Fund	331.2	350.5	-27.3	1.43
Quadrant Spec. Sits.	352.0	372.5	—	1.56

Reliance Unit Mgrs. Ltd

Reliance House, Tunbridge Wells, Kent 0892 510033

British Life	186.3	198.1xd	-1.8	3.04
Reliance Unit Tst (Inc)	129.7	137.9xd	-0.9	1.91
Reliance Ut Tst (Acc)	175.6	186.7	-1.2	1.91

Rensburg Fund Managers

Silkhouse Ct., Tithebarn St., Liverpool. 051-227 2030

Internat. Growth Trust	37.6	41.0	+1.1	—

N.M. Rothschild Fund Mgmt

St Swithin's Lane, London EC4 01-634 2980/4

NC America (Inc)	228.1	242.6	—	0.96
NC America (Acc)	251.9	267.9	—	0.96
NC Inc Fd.	96.9	103.0	—	4.53
NC Japan Fd.	176.9	188.1	—	0.00
NC Major UK Cos Fd.	53.6	57.0	—	2.99
NC Smlr Australian	68.6	72.9	—	0.81
NC Smlr Canadian CoFd.	40.2	42.7	—	1.26
NC Smaller Cos.	190.6	202.7xd	—	1.02
NC Smaller European	148.3	157.7	—	0.53
NC Prop.*	162.1	177.2	—	

*Unauthorised Unit Trusts

Royal Bank of Canada Fds.

RBC Trust Managers Limited.
1, London Wall, London EC2Y 5JX. 01-600 6222

RBC Select Grth Acc	66.0	70.9	+1.5	—
RBC Select Income	63.5	68.2	+0.8	—
RBC Select Inc Acc	65.0	69.8	+0.8	—
RBC Select N. American	40.3	43.3	+1.4	—
RBC Select Intl.	40.7	43.7	+1.0	—

Royal Life Fd Mgmt Ltd

PO Box 34, Peterborough PE2 0UE. 0733 230000

Equity Trust	64.6	68.7xd	-0.9	2.72
International Trust	70.7	75.2	+1.9	1.34
United States Trust	30.0	31.9	+1.1	1.14
Pacific Basin	46.6	49.5xd	+1.0	0.28
Gilt Trust	27.0	28.0	—	9.21
Equity Growth Accum	209.1	222.5	+0.1	1.64
Equity Growth Dist	146.9	156.3	+0.1	1.64
High Inc Accum	119.8	127.5xd	-1.2	3.24
High Inc Dist	97.9	104.2xd	-1.1	3.24
US Grwth Accum	54.8	58.3	+1.7	1.04
US Grwth Dist	53.4	56.9	+1.6	1.04
Ryl Life Inc Clary Tst	42.7	45.4	-0.1	4.26
Ryl Life Intl Grwth	38.7	41.2	+0.4	0.64
Ryl Life Intl Spec Tst	37.4	39.8	+0.6	0.43

Royal London Unit Tst Mgrs Ltd

Royal Ldn Hse, Colchester CO1 1RA 0206 764400

American Grwth	69.4	77.3	—	0.85
European Growth	42.5	48.1	—	1.04
Gilt Income	58.8	63.3xd	—	8.96
High Income	95.6	106.2	—	6.08
Income & Growth	114.3	127.3xd	—	4.81
Intl. Income	43.5	48.6xd	—	6.09
Japan Growth	96.8	106.4xd	—	0.05
Special Sits	234.5	150.1xd	—	0.92
UK Growth	47.3	52.4	—	1.83

Royal Trust Fund Management Ltd

3, Finsbury Sq., EC2A 1RT 01-638 2439
Unit Dealing 01-638 2531

Capital Fund Sept 30	368.0	391.1	—	1.14
Capital Growth (z)	70.6	75.9	+2.8	1.36
(Accum Units)	81.0	87.0	+3.2	1.36
Equity Income Fund (z)	97.9	105.2	+2.9	3.86
(Accum Units)	239.4	257.4	+7.1	3.86
Finance & Property (z)	92.1	99.0	+1.8	2.58

FT UNIT TRUST INFORMATION SERVICE

Manufacturers Life Insurance—Contd.

Gilt-Edged Inv.	235.2			
Do Accum.	290.9		....	—
Guaranteed Inv.	154.8		....	—
Do. Accum	197.6		....	—
International Inv.	351.6		....	—
Do. Accum.	434.5		....	—
Index Lk. Gilt Inv.	130.8		....	—
Do. Accum.	161.7		....	—

Merchant Investors Assurance
Leon House, 233 High St, Croydon 01-686 9171

Property	331.0	+1.3	—
Property Pens.	451.8	+1.8	—
Equity	168.9	+4.0	—
Equity Pens.	695.4	+24.0	—
Money Market	309.5	-1.5	—
Money Mkt. Pens.	559.6	-2.3	—
Deposit	241.1	+0.0	—
Deposit Pens.	387.7	+0.1	—
Managed	261.2	+5.6	—
Managed Pens.	485.5	+11.7	—
Intl. Equity	260.1	+6.4	—
Do. Pens.	418.3	+10.4	—
Intl. Managed	256.6	+8.0	—
Do. Pens.	367.3	+12.3	—
North American	107.2	+3.3	—
Do. Pens.	119.5	+3.5	—
Far East	201.3	+3.0	—
Do. Pens.	292.4	+4.4	—
Intnl. Currency	163.3	+0.1	—
Do. Pens.	215.6	+0.2	—
Index Linked	122.2	-1.8	—
S & C Managed Fd.	111.6	+1.8	—
S & C Pens Magd Fd	87.4	+1.4	—
Bell Chambers	112.0	+2.3	—
Loran & Loran	120.8	+0.0	—
Milton Magd Fnd	157.7	+0.4	—
Trustlink Life Funds			
Per Worldwide Rec.	123.2	+2.4	—
Per Far East Growth	141.8	+1.2	—
Per Intl Growth	129.5	+4.1	—
Per Income	139.9	+4.8	—
Per Emerging Co's	108.7	+3.6	—
Per American Growth	104.7	+5.3	—
Per European Growth	101.0	+4.2	—
Fra American & Gen	76.3	+4.0	—
Fra Capital	152.0	+2.0	—
Fra Income	161.7	+4.1	—
Fra Intl Growth	95.0	+5.1	—
Fra Japan & Gen	148.3	+6.1	—

Norwich Union Asset Management Ltd
PO Box 124, Norwich NR1 3JS 0603 683986

NUAM Funds				
Managed Fund	49.1	51.7	....	—
Stock Market Magd Fund	47.1	49.6	+0.2	—
Equity Fund	51.4	54.2	-0.6	—
International Fund	43.5	45.8	+0.9	—
European Fund	45.9	48.4	+2.4	—
North American Fund	38.1	40.2	+1.1	—
Pacific Fund	52.8	55.6	+1.2	—
Property Fund	53.6	56.5	....	—
Fixed Interest Funds	50.7	53.4	-0.1	—
Index Related Sec Fund	44.9	47.3	-0.6	—
Deposit Fund	51.8	54.6	....	—
NUAM Retirement Plan				
Mixed Fund	50.1	52.8	+1.4	—
UK Ordinary Share	56.3	59.3	+2.2	—
International Fund	42.2	44.5	+1.4	—
Property Fund	53.2	56.1	+0.2	—
Fixed Interest Fund	52.6	55.4	-0.6	—
Index Linked Sec Fund	45.5	47.9	-0.6	—
Deposit Fund	54.0	56.9	....	—
NUAM (MF)				
Managed Fund	664.7	699.7	-0.7	—
Equity Fund	1327.6	1397.5	-16.8	—
Property Fund	333.9	351.5	+0.1	—
Fixed Interest Fund	373.6	393.3	+0.9	—
Deposit Fund	211.8	223.0	+0.1	—
International Fund	112.3	118.3	+2.6	—
Index Linked Sec Fund	45.0	47.4	+0.6	—

Norwich Union Life Insurance Soc.
PO Box 4, Norwich NR1 3NG 0603 622200

Pensionmaster & Unit-Linked Plan				
Fixed Interest Fund	262.7	276.5	+14.9	—
Index-Linked Sec Fund	128.8	135.5	+1.9	—
Ordinary Share Fund	409.2	430.7	-85.6	—
International Fund	108.3	114.0	-4.6	—
Property Fund	168.1	176.7	+0.9	—
Deposit Fund	169.3	178.2	+0.6	—
Mixed Fund	210.4	248.0	-83.6	—
Norwich Units Oct 15		1047.9	....	—

*Prices as at June 30.

Pearl Assurance (Unit Funds) Ltd
252 High Holborn, London WC1V 7EB 01-405 8441

Prop. Dist. (Gross)(z)	153.9	162.0	+0.1	—
Prop. Acc. (Gross) (z)	249.3	262.9	+0.1	—
Equity (Gross) (z)	595.0	626.4	+23.7	—

[illegible]

Ward Consultancy
44 Station Rd Twyford, RG10 9NT 0734 343599

WC Grth Inc Fund	86.8	91.4	....	—
WC Scot Eq Perf Bond	91.4	96.2	+1.9	—
WC Scot Eq Mang Pens.	87.5	92.1	+1.8	—

Yorkshire & Lancashire Investment Mgt.
Shirbton House, Clitheroe, BB7 2JN 0200 28066

Growth & Income (RH)	-		....	—
Ultra Bond (Roy.H)	-		....	—
Flexible Managed (Hen)	124.7	131.3	....	—
Global Managed (Schr.)	150.5	158.4	....	—
Security (Scot Mutual)	100.0	105.3	....	—
Pension Fund (Roy.H)	-		....	—

[illegible]

OFFSHORE AND OVERSEAS

Abbey Global Investment Fund
PO Box 252, St Helier, Jersey 0534 59833

Intl Inc & Gth Fnd	$1.73	1.84	-0.02	—
(Sterling Price)	£1.00	1.08	....	—
UK Gth Fnd	£0.65	0.69	+0.03	—
American Gth Fnd	$1.56	1.66	+0.07	—
(Sterling Price)	£0.91	0.98	+0.05	—
European Gth Fnd	Ecu1.66	1.78	-0.02	—
(Sterling Price)	£1.14	1.21	+0.02	—
Japanese Gth Fnd	Y191	203	+8	—
(Sterling Price)	£0.80	0.86	+0.04	—
Pacific Basin Gth Fnd	$1.15	1.22	-0.01	—
(Sterling Price)	£0.67	0.72	....	—

Adig Investment
Postfach 708, 8000 Munich 1 Telex 524269

Adiverba	DM22.73	23.43	+0.05	—
Adiverbo	DM119.30	125.27	+1.17	—
Fondak	DM51.66	54.24	-0.50	—
Fondis	DM53.35	56.02	+0.39	—

AEtna Intl Assurance (Bermuda) Ltd
Albert Hse., St Peter Port, Guernsey 0481 27066
Exchange rate at Valuation Day US$1.7165

Commodity ($)	$7.610	8.015	....	—
Dollar Deposit ($)	$2.040	2.150	....	—
Eurogrowth ($)	$0.810	0.855	....	—
European Equity (£)	224.4	236.3	....	—
Global Managed ($)	$1.750	1.845	....	—
Gold ($)	$1.375	1.450	....	—
Goldmine ($)	$0.715	0.755	....	—
Internat'l Equity ($)	$10.150	10.685	....	—
Inter-Fixed Int'st ($)	$8.245	8.680	....	—
International Magd ($)	$7.580	7.980	....	—

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Bridge Singapore Asset Mngment Ltd
GPO Box 590, Hong Kong. 5-8435774

S & My T	$12.93	13.62	....	10.85

Brown Shipley Fund Mgmt (CI) Ltd
PO Box 583, St Helier, Jersey 0534 74777

Sterling Bd Fd (Daily)	£10.48	11.08	....	9.04
Sterling Cap (Daily)	£24.02	24.04	+0.02	—
Intl. Bond (Daily)	$16.44	17.39	+0.19	5.25
Int Currency (Wed)	£1.39	1.47	....	5.00

Butterfield Management Co Ltd
PO Box 195, Hamilton, Bermuda (809-29) 51111

Buttress Capital	$15.58		....	—
Buttress Equity Acc.	$8.12	8.49	....	—
Buttress Equity Dist.	$5.67	5.93	....	—
Buttress Inc Acc.	$4.62	4.79	....	—
Buttress Income Dist.	$0.77	0.80	....	—

CAL Investments (IoM) Ltd
16 St Georges Street, Douglas, IoM 0624 20231

CAL C & C*	59.5	60.6	....	—

*Dealings Monday.

CMI Financial Mngmt Services Ltd
Clerical Medical Hse, Douglas, Isle of Man. 0624 25599

Safeguard Portfolio	93.4	98.7	-0.1	—
Growth Portfolio	78.0	83.5	+1.3	—
Enterprise Portfolio	68.9	74.4	+1.8	—

CRC Asset Management Limited
PO Box 208, St Peter Port, Guernsey 0481 26268

CRC Balanced Growth Fund				
Far East Class	$22.83	23.99	....	—
International Class	$13.49	14.17	....	—

Capital House Investment Management Ltd
6 New Bridge Street, London EC4V 6JH 01-353 5050

Emperor Fund	$15.55	16.34	....	—
Euro Global Inc Fd	$88.33	92.79	....	0.54

Capital International
43 Boulevard Royal, Luxembourg

Capital Int. Fund		$69.08	....	—

Cater Allen Investment Management (CI)
Cater Allen House, St Helier, Jersey, CI 0534 78898

CA Dollar Inc Fd	$10.04	10.05xd	+0.01	6.76
CA Gilt Eng Fd	£13.42	13.47	+0.01	10.39

Charterhouse Fund Mngt. (C.I.) Ltd
Charterhouse Bldg, Bath St, Jersey 0534 79437

Charterhouse International Capital Fund Limited				
£ Sterling		£17.55	+0.01	9.10
US$		$15.30	....	6.42
D Marks		DM50.37	+0.01	1.90
Swiss Francs		SFr44.72	....	1.75
Fr Francs		FFr178.84	+0.03	6.56
Dutch Guilders		DFl42.81	+0.01	3.44

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FT UNIT TRUST INFORMATION SERVICE

Equity & Law International Fund Mgr Ltd
Victory Hse, Prospect Hill, Douglas, IoM 0624 77877

Equity & Law International Life Assur Co Ltd
Victory Hse, Prospect Hill, Douglas, IoM 0624 77877

Ermitage Management Ltd
19 Royal Square, St Helier, Jersey, CI 0534 76007

Ermitage Management Cayman Ltd
PO Box 2292, Grand Cayman, BWI

Eurolife Assurance Group
5-11 Mortimer St, London W1N 7RH 01-631 0778

Euromobiliare Fd Mngt (Guernsey) Ltd
PO Box 105, St Peter Pt, Guernsey 0481 710607

S.G. Europe Obligations SA
9 Avenue de la Liberte, Luxembourg
London Agent: FFS, Salisbury House, London Wall EC2M 5TA Tel: 01-920 0776 Telex 887281

Global Asset Mngt Corps—Contd

John Govett Mngmt International Ltd
PO Box 208, St Peter Port, Guernsey, CI 0481 26268

Granville Management Limited
PO Box 73, St Helier, Jersey 0534 73933
Next dealing day October 28

Grindlays Capel-cure Intl Mgt Co Ltd
PO Box 153, St Peter Port, Guernsey. 0481 26771

Grofund Invest Managers (Guernsey) Ltd
PO Box 86, Guernsey, Channel Islands 0481-26521

Jardine Fleming & Co Ltd
GPO Box 11448, Hong Kong

Leopold Joseph & Sons (Guernsey)
Albert House, St Peter Port, Guernsey 0481 712771

Kleinwort Benson Group
20 Fenchurch St, London EC3 01-623 8000

Kleinwort Benson (Guernsey) Fd Mngrs Ltd
PO Box 44, Guernsey, CI 0481 27111

NM Schroder Fin Mgmt Intl Ltd
Box 273 St Peter Port, Guernsey 0481 28750

National Mutual Insurance Co (Bermuda) Ltd

Nat. Westminster Jersey Fd. Mgrs. Ltd
23/25 Broad St, St Helier, Jersey 0534 70041

Newport International Management
73 Front St, Hamilton, Bermuda 809 292 0140

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LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

BRITISH FUNDS—Contd

Undated

Index-Linked

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base month for indexing, ie 8 months prior to issue. RPI for February 1987: 100.4 and for September 1987: 102.4 (rebased at 100 January 1987 conversion factor 3.945).

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

1987 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
109¾	103	Birmingham 13½pc 1989	105⅞xd	.....	12.75	10.26
119	100½	Do. 11½pc 2012	107xd	+⅛	10.75	10.69
95¾	82½	GLC 6¾pc 1990-92	87xd	+½	7.76	10.90
132½	115	Leeds 13½pc 2006	117¼	.....	11.51	13.94
32	22	Liverpool 3½pc Irred.	26xd	.....	13.46	—
96	85	LCC 6¾pc '88-90	91	.....	7.42	10.30
31½	21	Do. 3pc '20 Aft.	27xd	.....	11.11	—
115	103½	Manchester 11½pc 2007	105xd	.....	10.95	10.80

COMMONWEALTH & AFRICAN LOANS

1987 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
92¾	81¼	NZ 7¼pc 1988-92	88⅞	+1½	8.16	10.50
205	165	S Rhod 2½pc Non-Assd	205	.....	—	—
78	65	Do. 4½pc 87-92 Assd.	77	.....	—	—
86½	70	Zimbabwe Ann (£100pa)	86½xd	+½	—	—

LOANS

Building Societies

Public Board and Ind.

1987 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
92½	84	Agric. Mt. 5pc '59-89	90½	.....	5.52	10.40
48	38½	Met. Wtr. 3pc 'B'	46½xd	.....	6.42	9.720

Financial

FOREIGN BONDS & RAILS

1987 High	Low	Stock	Price £	+ or -	Div % Gross	Red. Yield
53	42	Greek 7pc Ass.	45xd	.....	3.50	17.42
52	40	Do. 6pc 28 Stb. Ass.	45xd	.....	3	16.37
50	45	Do 4pc Mixed Ass.	45xd	.....	2	14.44
66	58	Hung. '24 Ass.	62½	.....	2.75	14.40
146½	122⅞	Hydro Quebec 15pc 2011	136¾	+¼	15.00	10.70
136¼	115½	Iceland 14½pc Ln 2016	127⅞xd	+¼	14.50	11.25
103½	94	Ireland 9¾pc '91-96	98⅞xd	+1½	9.75	11.13

AMERICANS

Continued on next page

Oppenheimer Money Management Ltd
66 Cannon St, EC4N 6AE 01-236 1425

Money Market Bank Accounts

ANZ Finance High Interest Cheque Acc
Minerva Hse, Montague Cl, London, SE1 01-378 2576

Money Market Trust Funds

UNIT TRUST NOTES

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LONDON SHARE SERVICE

AMERICANS—Continued

1987 High	Low	Stock	Price £	+ or −	Div Gross	C'vr	Y'ld Gr's
39	21⅛	Rep NY Corpn $5	24¾	+2	$1.16	—	2.9
18¾	8¼	Rockwell Intl. $1	10⅝	−⅛	66c	—	3.8
30⁵⁄₁₆	16½	Sara Lee $1	22¼xd	−⅞	$1.00	—	2.8
11⅝	8⅞	Saul (B. F.) $1	9⅞	−⅛	20c	—	1.3
27⅞	2¼	Southwestern Bell $1	22⅞	+¼	k$2.32	—	6.3
22¾	11⅜	Staley Continental	11⅜	−¼	80c	—	4.3
44⅝	21⅝	Sun Co. Inc. $1	30½	+1	$3.00	—	6.0
42¾	24	TRW Inc. $0.625	28¾	+1½	$1.60	—	3.5
37¼	22⅝	Tenneco $5	25⅛	+⅝	$3.04	—	7.3
220	149½	Do. 10pc Ln.Stk. 91-5	150xd	.....	10%	—	14.7
29⅝	16⅝	Texaco $6.25	18⅞xd	+1⅛	$3.00	—	9.7
74⅝	43⅞	Time Inc. $1	47¹¹⁄₁₆xd	+⅞	$1.00	—	1.3
20⅞	11	Tracor $0.33	18⅛xd	+⅝	40c	—	1.4
30¼	15⅜	Transamerica $1	17⅞xd	−⅛	$1.84	—	6.3
14⅞	1¼	Transworld Corp $5	780p	+65	20c	—	1.6
27⅞	12⅛	TRINOVA Corp.	15¼	+1½	56c	—	2.3
24⅝	12⅞	USX $1	15⅞	+¼	$1.20	—	4.7
19⅝	10⅞	Union Carbide $1	12⅞	+1⅛	$1.50	—	7.4
37⅞	19⅞	Utd. Technologies	20⅞xd	−⅞	$1.40	—	4.2
38⅝	26½	US West	30⅛	+⅛	$3.28	—	6.7
30½	17½	Waste Management $1	22⅞	+1⅛	—	—	—
31⅜	13⅛	Whirlpool $1.0	13⅜	.....	—	—	—
37⅞	18⅞	Woolworth $3½	19⅞	+⅞	$1.32	—	4.2

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING, TIMBER, ROADS

BUILDING, TIMBER, ROADS—Cont

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY AND STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INDUSTRIALS—Continued

INSURANCES

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LONDON SHARE SERVICE

INSURANCES—Continued

1987 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
*£11½	733	Prudential	860	+2	†29.0	—	4.6	—
598	395	Refuge 5p	403	−12	15.75	—	5.4	—
595	345	Royal	415	−6	†ψ15.5	—	5.1	—
110	85	Sabre Ins. Ins.	87		—	—	—	—
*345	188	Sedgwick Group 10p	203	−6	12.0	1.7	8.1	8.7
339	178	Steel Burrill J.10p	178	−2	†9.0	2.0	6.9	9.9
668	405	Stewart Wr. 20p	618		†13.0	2.0	2.9	21.9
622	377	Storge Hldgs 20p	395	−10	†16.0	2.5	2.1	25.9
£12¾	645	Sun Alliance	863xd	+5	†23.5	—	3.7	—
£13	905	Sun Life 5p	930	−8	†28.5	—	4.2	—
£69½	£39	ψTaisho M EDR	£44½	+2¼	Q10%	—	1.0	—
£22⅞	£14¾	Torchmark $1.00	£16¼	−¼	Q$1.00	—	3.8	—
410	235	Trade Indemnity	380	−10	†4.3	—	1.7	—
£34	£20¾	Travelers $1.25	£28⅞		$2.28	—	6.7	—
£30⅞	£17½	USF & G Corp $2.50	£17⅞	−¼	Q$2.48	—	8.6	—
£33½	£16½	USLIFE Corp. $1.0	£18⅞	+¼	Q$1.28	3.2	4.2	4.1
738	555	Utd Friendly B 10p	690	−15	21.0	—	4.6	—
464	267	Willis Faber 12½p	273	−6	†10.75	2.4	5.4	10.4
128	41	Windsor Secs. 10p	73	+3	†0.7	1.5	1.3	—

LEISURE

1987 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
35½	11½	‡A & M Group 10p	16		—	—	—	—
242	95	Airtours 10p	185	+3	†d5.4	1.5	7.4	12.2
*549	302	Anglia TV	367	−8	†ψ11.25	3.3	4.2	10.2
308	78	Argy	215	+15	—	—	—	—
194	108	‡Aspinall Hldgs. 10p	138		†6.0	1.2	6.0	18.9
141	63	‡Avesco 1p	70	−2	0.5	6.7	1.0	19.8
72	40	BBCE Hldgs 5p	57		Lu1.0	♦	2.4	♦
300	132	Barr & W.A.T. 'A'	235		†8.0	1.4	4.7	19.1
58	25	Bond Media	25		—	—	—	—
235	165	Boosey & Hawkes	228		—	—	—	—
83	38	‡Border T.V.	52	−1	1.4	♦	3.7	♦
*439	43½	Brent Walker 10p	287	−7	†d8.5	2.2	4.0	13.7
124	85	Do 6pc.Cv.Cm.Rd.Pf.	92	−1	6.0	—	8.9	—
*338	110	Campari Int. 20p	242	+2	†3.0	5.1	1.7	12.4
306	205	‡Castle Comms. 5p	265	−2	17.0	2.0	4.8	14.3
211	127	Capital Radio 10p	156	−1	W15.0	1.8	4.4	16.9
684	370	Central ITV	533	−2	†17.0	2.3	4.4	13.8
274	171	Chrysalis	188		5.6	2.1	4.1	15.8
101	43	‡Citivision 5p	51	−7	a—	—	—	—
*68	12	‡Entertain Prod 5p	29	−2	—	—	—	—
449	207	Fairline Boats 10p	288	−40	†6.0	3.6	2.9	13.1
690	414	First Leisure £1	562	−1	†7.5	3.3	1.8	22.7
166	70	GRA Group 5p	150d		‡a0.86	2.2	0.8	86.8
132½	48	Grampian TVA 10p	66	+2	2.3	3.4	5.3	7.7
78	46	‡Greenwich Comm.	48	+2	—	—	—	—
391	202	HTV Non/Vtg.	284	−4	‡9.8	3.7	4.7	7.8
89	42	Hemimax A$0.25	42	−5	Q5c	—	7.7	—
*185	32	Juliana's Hldgs 2p	61	−1	‡t1.83	1.0	4.1	23.0
£10⅝	440	LWT	825	−10	28.5	♦	4.9	♦
355	152	Lee International 10p	385		‡3.3	♦	1.3	♦
182	54	Leisure Inv 10p	122	+5	1.45	♦	1.6	♦
*144	66	Leisuretime Int 10p	95		‡2.3	0.6	‡	—
163	100	‡Lowmar	110	−18	‡2.63	3.1	3.3	13.3
738	80	‡Marina Dev. 50p	280xd	−20	♦—	—	—	—
232	160½	Mecca Leisure 10p	175	−4	14.1	1.8	8.2	23.2
211	92	‡Media Tech Int.20p	210		2.8	4.5	1.8	16.1
*360	165	Metmaster 10p	300		7.7	♦	3.6	♦
545	238	Midsummer Leis.	329	−14	†4.0	3.9	1.7	16.0
330	175	‡Miss World 10p	240		†6.0	3.2	3.4	12.6
18	7	‡Nimslo Int 20c	12		—	—	—	—
65	30	ψOceanic Ins NZ$0.5	32	−1	Q2c	6.0	2.2	7.6
242	81½	Orient Ex Htls $0.125	94	+6½	—	—	—	—
158	42	Owners Abroad 3p	98		a1.8	3.8	2.5	14.5
		For Photax London see Army						
98	34	‡P'dilly Radio NV 5p.	66	−2	2.0	1.4	4.2	22.9
238	166	Pickwick	168	+1	R2.5	3.1	2.0	22.0
118	73	‡Pineapple 10p	88	−3	—	—	—	16.4
263	154	Pleasurama 5p	158		†ψ4.88	2.8	4.2	11.6
610	340	Scott. TV 10p	405xd	−2	†15.0	3.3	5.0	8.2
49	13½	‡SelecTV 10p	26		—	—	—	—
135	19	‡Spectrum 5p	78		—	—	—	—
337½	142½	Stanley Leisure	287		‡d6.0	3.7	2.0	18.7
99	47½	TSW 5p	80	+1	2.7	♦	4.6	♦
404	210	ψTV-am 10p	288	−18	†t5.75	3.4	2.7	11.8
*454	250	TVS 10p	300	−15	†10.0	3.3	4.6	9.3
88	57	‡Television Svcs 50p	67		—	—	—	—
540	282	Thames TV	334	+1	12.0	2.7	4.9	10.4
256	64	Tottenham Hotspur	160xd	+8	4.0	—	3.4	—
188	80	‡Trilion 10p	146	+1	1.1	3.5	1.1	31.1
639	251	Tyne Tees £1	468	−5	10.75	2.7	3.5	9.4
170	79	Ulster TV	183	−1	3.7	♦	4.9	♦
379	102½	Virgin Group 10p	134	−1	d2.2	2.9	2.6	15.6
55	29	Webb (Jos.) 5p	47	−½	0.6	1.0	1.7	(87.8)
*117	18½	‡Williams (Rex) 5p	66	−7	g0.91	1.4	1.9	—
403	188	Yorkshire TV	204	−10	†t6.25	2.9	4.2	11.2
136	73	Zetters Grp 5p	108	+2	W4.0	2.0	5.1	13.2
166	130	Zetters Leisure 10p	133		L1.5	3.7	1.5	24.1

MOTORS

Motors and Cycles

1987 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
294	150	Gen. Mts. Units	169	−3	Q25c	—	9.1	—
772	487	Honda Motor Y50	542	+13	Q24%	♦	0.9	♦
632	268	Jaguar	322	−7	†9.5	3.5	4.0	8.7
185	120	‡March Group 5p	130		L4.2	2.4	4.4	12.9
61	19	‡Reliant Motor 10p	36		—	—	—	—
127	36	Rover 50p	43	−2	—	—	—	—
£41⅞	£26⅞	Volvo Kr25	£29	−⅛	Q37%	3.1	2.7	—

Commercial Vehicles

1987 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
273	50	ERF (Hldgs)	198	—	—	—	—	19.6
219	87	Plaxtons (GB)	165	−5	4.5	1.1	3.7	(33.1)

Components

1987 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
450	330	Abbey Panels	425		2.4	19.9	0.8	12.7
305	60	Airflow Streamlines	180	−5	3.8	3.6	2.3	18.1
228	129	Armstrong Eq. 10p	142	−6	3.3	3.1	3.2	11.1
129	70	ψBTS 10p	100	−3	4.25	1.3	5.9	17.6
300	177	Dowty 50p	187	−2	6.2	2.7	4.5	10.8
*443	294	FR Group	294		†3.85	4.5	1.8	16.5
299	95	Kwik-Fit Hldgs. 10p	175	+6	†2.2	3.8	1.7	20.5
795	465	Lucas Inds. £1	521	+5	16.0	4.0	4.3	6.3
243	101	‡Spice 5p	205	−3	‡2.15	4.9	1.4	17.2

Garages and Distributors

1987 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
64	14½	Alexanders 10p	29	−4	0.71	0.2	3.4	—
532	175	Appleyard	320		†7.0	3.0	3.0	13.2
		For BSG see Industrials						
671	137	Bramall (C. D.)	628		‡‡4.47	7.3	1.0	18.4
633	250	Caffyns 50p	433	−7	7.5	2.5	2.4	22.7
300	157	‡Cook (D.C.) Hldgs.	202	−8	a2.85	2.4	1.9	29.5
*200	41	Cowie (T.) 5p	126	−4	R2.4	5.1	2.6	10.1
352	155	Evans Halshaw	220	−5	†4.19	4.6	2.6	11.3
240	93	Gates (F.G.)	171xd	−1	†8.2	2.7	2.6	20.0
		For Glanfield Lawrence see [illegible] (Recents)						
395	137	‡Graham Motor 5p	140		L3.5	3.5	3.4	11.4
135	65	Hartwell	100	−1	b2.25	2.2	3.1	15.1
98	35	Jacks Wm.	76	−2	†1.35	2.6	2.4	21.3
263	110	Jessups	190	−5	†4.5	3.0	3.2	12.8
295	83	ψLaidlaw Grp. 10p	290		‡4.0	1.8	1.9	37.1
*231	165	Lancaster	165		L2.75	3.5	2.3	—
547	278	Lex Service	348	−5	†10.6	1.6	4.2	20.2
478	210	Lookers	295	+2	†6.4	3.5	2.3	12.9
333	139	Perry Group	240		†6.0	3.0	3.4	13.9
*408	125	Quick (H. & J.) 10p	238		†d4.0	3.9	2.3	13.3
86	12½	Trimoco 10p	38	−3	—	—	—	—
£600	£101½	Do. 11½pc Ln '96	£270	+10	Q11.5	—	f4.3	—
610	343	Western Motor	438d					46.5

NEWSPAPERS, PUBLISHERS

1987 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
260	166	‡Accord Pub 5p	175	−3	†L3.1	3.0	2.4	18.7
121	63	Adscene	76	+1	1.25	1.9	4.5	16.1
*725	236	Ass. Book P. 20p	725		‡6.0	2.5	1.1	44.2
675	400	Assoc. News	457	−7	†6.0	3.7	1.8	19.4
415	200	BPP Hldgs 10p	313	+5	†5.6	2.5	2.5	22.8
633	272	Barbour Index	360	−15	L4.0	3.3	1.5	27.5
685	320	Black (A. & C.)	435		†d0.75	2.4	3.2	17.9
285	185½	Bristol Eve. Post	225		7.75	1.5	4.7	19.5
*914	411	Collins William	700	−15	g†9.25	3.6	1.8	20.6
*743	301	Do. "A"	516	−10	g†9.25	3.6	2.5	15.1
£42	£23	Daily Mail 'A' 50p	£25		†60.0	1.0	3.3	41.6
272	149	EMAP	187	−2	†3.0	2.9	2.2	21.2
430	250	Euromoney Pubs	290		10.6	1.7	6.0	13.8
430	310	Haynes Pub 20p	345		14.0	1.6	5.6	14.8
515	315	Holmes Publishing 5p	425		a6.25	2.2	2.0	31.5
410	157½	Home Counties Hldgs.	320		†5.0	4.3	2.1	14.9
765	340	Independent	475	−50	†d0.7%	1.9	2.4	23.0
205	98	Intl. Bus. Comms. 10p	122	−3	†3.0	2.2	3.4	17.4
802	435	Intl. Thomson	485		18.5c	2.7	2.6	14.0
395	205	Maxwell Comms. Corp.	235xr	+1	†g14.0	1.2	8.4	(13.8)
185	118	‡Metal Bulletin 10p	165	+2	4.8	1.9	4.0	18.5
226	135	‡Mustarlin 20p	135xd	−10	3.0	1.3	3.0	(32.0)
£10⅝	405	News Corp A$0.50	455	+50	Q7c	♦	0.6	♦
706	350	News Int. Spec. Div.	380	+30	3.19	♦	1.2	♦
290	158	Portsm'th & Sund.	278	+2	†4.4	2.6	2.2	23.6

PAPER, PRINTING—Continued

1987 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
256	100	‡Moorgate Group 5p	130		L2.0	3.7	2.1	17.7
275	120	More O'Ferr. 10p	228	−2	†5.2	2.9	3.1	14.6
116	78	‡Moss Advertising 5p	98	−1	d2.45	1.2	3.7	28.9
195	113	Norton Opax 10p	139	−6	‡4.0	2.7	3.9	12.9
111	94	Do 5¼pc.Cv.Cm.Red.Pf.	95	+1	5.25	—	7.6	—
£28	£12⅞	Ogilvy Group $1	£13⅞	+⅞	Q84c	—	3.7	—
255	57	Olives Paper 20p	173	−2	♦—			
345	291	‡Osborne & Little 5p	295		3.9	3.8	1.8	20.1
128	53	Peary Communications	80	+6	a2.14	2.0	3.7	18.6
371	185	‡Parkway 5p	225	−5	R1.5	4.2	0.9	35.5
253	110	‡Peters (Michael)	175	−5	†2.6	2.4	2.1	28.3
258	85	Robertson Grp. 10p	163	−2	2.8	3.1	2.4	18.9
*499	341	Saatchi 10p	378	+3	†ψ12.14	2.2	4.5	11.7
*138½	87	Do.6.3pcCnvPrefΣ1	98	+1	6.3%	—	9.6	—
480	52	Seague	255	+5	‡d2.0	5.7	‡	18.3
£11¼	412½	St Ives 10p	700xd	−25	d5.75	♦	1.1	♦
£53⅞	£34⅞	Scott Paper	£37¼	+¼	Q$1.36	—	2.2	—
815	353	Shandwick 2p	550	−15	5.5	5.2	1.4	18.1
89	57	‡Shelton (Martin) 10p	61	+4	d1.75	2.3	3.9	15.3
485	248	Smith (David S.) 20p	377	−8	5.25	4.4	1.9	16.2
650	313	Smurfit (Jeffsn.)	375		Q22.2%	4.7	1.4	24.1
126	73	‡Space Planning Servs.	88	−2	1.8	2.0	2.8	24.5
58	25	‡Stanco Exhibitions 5p	31	+1	0.29	4.8	1.3	26.3
156	85	‡Sterling Pub. 5p	126		2.2	2.3	2.4	23.9
245	115	‡TMD Advertising	200	−3	2.0	3.7	1.4	26.7
96	44	‡Thorpac Group 2½p	48	−3	1.17	2.1	3.3	12.1
288	199	Usher Walker 10p	250		†8.05	2.4	4.5	12.9
548	151	VPI Group 5p	255	−14	1.5	5.9	0.8	28.9
*391	205	WCRS Group 5p	228	−5	3.13	4.3	1.9	14.5
*£11¼	438	WPP Group 10p	452	−7	†d8.2	4.1	1.0	35.0
*360	99	Wace Group 20p	262	+2	21.0	—	0.5	58.1
*344	190	Waddington (J.)	238	−2	6.0	2.3	3.5	15.5
575	252½	Watmoughs	485	−10	†6.5	2.3	1.8	32.5
398	165	‡Wiley Maclay-Look10p	265	−15	L4.0	2.9	2.1	22.5
287	133	Yellowhammer 5p	195	−5	2.1	4.6	1.5	20.0

PROPERTY

1987 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
*129	70	Allied London 10p	90	+5	2.1	♦	3.3	♦
*306	163	Arlington Sec 10p	163xd	−5	†g2.2	4.1	1.8	19.6
845	340	Asda Property 20p	575		ψ3.5	9.3	0.8	ψ9.4
132	99	Do 5½pc.Cm.Rd.Pf.	99		5½%	—	7.1	—
18	7	‡Ausmark Int	9		—	—	—	—
213	135	BDA Hldgs. 10p	135xd		L2.5	3.7	2.5	14.8
415	188	Baker Harris Saunders 10p	290	−10	L4.0	♦	2.4	♦
£18⅞	980	Barlows	£13		7.5	—	0.8	—
60	17¼	Berkeley & Hay Hill	38	−1	—	—	—	42.2
405	276	Billion (Percy)	338xd	−5	†12.94	1.5	5.4	16.3
720	490	Bradford Prop.	550	−13	11.0	3.3	2.7	15.3
280	141	Bredero Props.	170		‡4.25	2.6	3.4	12.7
198	115	Britannia Grp. 5p	123	−5	R3.85	3.0	4.5	10.7
351	170	British Land	228	+3	3.5	3.8	2.1	14.5
294	169	Brixton Estate	194	+4	†6.5	1.4	4.6	19.8
*831	289	‡Brookmount	445	−5	d4.0	5.5	1.2	20.6
£25¼	£18⅜	Bugge Eindoms	£20		Q10%	15.5	1.8	3.5
495	150	Burford Group	198		L1.2	4.4	0.8	37.6
176	103	CALA 5p	138		2.2	4.7	2.2	13.4
315	53	Caird (A.) 10p	188	−15	0.5	♦	0.4	♦
498	245	Capital & Counties	285		ψ8.0	1.8	3.8	20.3
186	81	Do 5¾pc Pref.	85	−2	5.75%	—	9.5	—
120	64	‡Cap.& Reg.Prop.10p	75	−10	20.1	—	0.2	23.2
650	295	Cardiff Prop 20p	450		1.85	0.6	0.6	—
390	255	Chase Prop Hldgs	280		a2.6	4.3	1.3	27.0
715	480	Chesterfield	495		†13.2	2.1	3.7	16.4
400	90	‡Citygrove 10p	240	−10	L2.3	3.6	1.4	25.3
275	155	City Site Estates	175	−5	†t0.96	2.4	0.8	60.7
170	76½	Clarke Nickolls	180	−10	‡8.15	1.9	4.3	(13.9)
390	208	Clayform Props 5p	213		†7.5	2.2	4.8	12.6
142	62	Do. Warrants	88		—	—	—	—
230	145	Debenham Tewson 5p	158	−3	L3.25	2.5	2.9	20.9
252	110	Dencora	175	−7	2.5	2.9	2.0	21.6
760	290	Derwent Valley 5p	355xd	−95	4.68	1.1	1.2	—
405	120	Dwyer	195	−5	—	—	—	♦
333	98	Egerton Trust	182	−11	1.75	2.2	1.3	38.7
312	110	Do. 7pcPf £1	185	−5	7%	—	5.2	—
240	135	Ests. & Agency	285		3.0	2.3	2.0	29.0
213	110	Ests. & Gen. 20p	130		†2.75	1.9	2.9	18.7
305	163	Ests. Prop. Inv.	190	−10	9.0	1.3	6.5	14.9
£187	£115	Do. 10½pcLn 94/99	£116	−4	Q10½%	—	f9.3	—
220	116	Evans of Leeds	145		4.75	2.3	4.5	13.4
271	82	Ewart New Nthrn.	200xr		b1.42	—	0.9	—
137	52	Five Oaks Invs 5p	80	+5	—	—	—	8.3
293	172	Fletcher King 10p	190		W4.5	2.6	3.2	16.5
*365	218	Frogmore Est 50p	360		8.61	♦	4.5	♦
*160	35	‡Gladstone 10p	88		ψd0.62	1.9	1.1	—
450	192	Grainger Trust	380	−25	s3.2	4.1	1.5	27.7
399	200	Gt. Portland 50p	214	−1	7.3	1.3	4.7	23.2
165	78	Green Property Ir25p	120	−5	Q6.6%	2.1	3.2	22.9
473	245	Greycoat 10p	250	−2	2.75	3.2	1.5	23.3
181	90	Hambro Countrywide 20p	97	−3	1.25	4.3	1.8	18.8
730	430	Hammerson 'A'	443xd	−17	10.5	1.6	3.2	21.3
131	52½	Hampton Trust 5p	115	+4	‡1.25	1.0	1.5	87.8
525	200	Hanover Druce 10p	220	+5	3.85	3.7	2.4	15.3
1105	370	Haslemere Prop 10p	800		†11.36	3.1	1.9	21.2
363	85	Helical Bar 5p	222	−1	10.4	48.6	0.2	11.4
84	43	ψHK Land	52	−1	Q27c	♦	4.0	♦
£15	340	Imry Prop London 50p	980		9.0	1.2	1.4	—
620	338	Imry Intl.	345		s7.5	3.4	3.0	(21.1)
£10	675	Int Inc Prty $0.01	675	−20	Q$1.00	—	9.1	—
650	250	Jermyn Invest.	500		2.5	6.6	0.7	29.8
345	165	Kentish Prop. 5p	168	−17	R3.75	3.3	3.1	13.4
90	40	ψKey City Prop.	75		2.0	4.3	3.8	7.0
485	245	Laing Properties	285		†8.0	2.6	3.9	12.0
£221	£117½	Do 8½pcLn2000-05	£139½	+½	Q8½%	8.8	f6.8	—
614	336	Land Securities £1	450		11.0	1.5	3.3	26.3
£110	£91½	Do. 10pc 1st Mt Deb 27	£97½	−1	Q10%	—	f10.3	—
845	370	ψLend Lease 50c	370	−10	‡Q50%	1.8	3.5	16.0
*436	275	‡Local Lnd. Grp. 5p	405		R7.3	1.9	2.1	(35.7)
212	105	Lond & Edinbgh 10p	117	−2	‡d1.8	4.8	1.9	11.7
153	93½	Do.6pc Conv.Pref.	118	−1	6.0	—	7.5	—
403	208	Do. 6½pc Cv Pf.	220	−3	6½%	—	4.0	—
313	148	Lndn & Metrpltn 5p	140xr	−5	†1.31	3.9	2.9	12.0
118	42	London Securities 15p	44	−2	—	—	—	10.3
252	176	Lon. Shop Prop.	195	+5	‡4.2	1.9	4.4	15.9
£109⅞	£88	Do 7pc Cnv.Ln 2001/06	£98	+1½	Q7%	—	f7.8	—
£246	£170	Do. 9pc Cnv '94-99	£177½	+2½	Q9%	9.3	(5.2)	—
£225	£105	Do 9.25pcCnLn'99/04	£114½	−1	Q9¼%	5.8	(8.0)	—
413	240	Lynton Prop. & Res.	343	−7	5.5	1.3	2.2	44.2
592	336	MEPC	418	+8	†11.5	1.4	3.8	25.8
180	46	Markheath	78	−12	2.4	1.6	4.2	20.5
£13⅞	500	Marler Estates	550		4.0	♦	1.0	♦
305	195	McInerney 10p	238	−10	Q6.92%	3.5	3.0	15.1
205	118	McKay Secs 20p	125		4.2	1.8	3.3	21.1
480	230	Merivale Moore 5p	375	−25	4.5	6.9	1.6	11.8
265	160	Merlin Intl Props.	165xr		0.65	1.7	0.5	—
322	145	Mountleigh	163	+3	3.0	9.0	2.5	6.0
180½	93	Do. 5.25pc Cnv Pf.	98	−2	5.25%	—	7.3	—
£15¾	740	Mountview Ests. 5p	925	−50	6.0	15.8	0.9	9.7
163	109	Muckiow (A. & J.)	122	−1	5.94	1.3	6.9	14.2
245	99	New Cavendish 5p	180	+15	‡1.5	0.5	1.2	—
*96	10½	‡New England Props 5p	39		—	—	—	—
57	17	Osprey Estates 5p	31xd	−1	0.1	♦	0.4	♦
£20	700	Palmerston I.T.	£12½		5.0	1.1	0.5	—
260	66	‡Parkdale Hldgs. 10p	130		2.8	2.8	2.8	22.3
*423½	271	Peachey	325		g10.25	♦	4.3	♦
370	235	Peel Hldgs	285		b4.75	3.1	2.3	13.5
251	68	Phoenix Prop. and Fin.	97	−3	—	—	—	—
507	230	Priest Marians 10p	300	+35	1.5	6.6	0.7	30.4
£157	£95	Do 6pc.Cv.Uns.Ln.2001	£97½	+2½	Q6.5%	—	f6.7	—
325	190	Prop. Partnership	255	−20	†4.0	2.3	2.1	26.8
188	105	Prop. Sec. Inv 50p	118		R2.4	1.8	2.8	26.6
*13¾	1¼	‡Property Tst 1p	5		—	—	—	—
61	30	Raglan Prop 1p	38	−1	0.11	2.9	0.5	—
301	80	‡Randsworth Tst.	250xd	+2	1.0	♦	0.9	♦
*315	120	Regalian	142	+2	2.0	4.6	1.9	15.6
279	38	Regentcrest 10p	98		1.5	1.1	2.1	(55.0)
267	97	‡Rialto 5p	188		†d0.41	5.8	0.5	33.7
£11⅛	550	Rosehaugh 20p	565	+5	1.0	10.5	0.2	—
79	23	St Modwen Props 10p	48	−2	s0.17	3.5	0.5	—
146	90	Scot. Metrop. 20p	105xd		4.6	♦	6.0	♦
90	33	Shearbank Prop.	41	−7	0.5	0.8	1.7	—
*136	50	Sheraton Secs. 10p	68	−2	1.13	2.7	2.3	20.8
380	148	‡Shield Group 5p	275		3.0	2.9	1.5	31.4
148	95	Sinclair Goldsmith 10	100		W2.2	3.0	3.0	15.0
514	181	Slough Ests.	228	+1	†6.5	2.0	4.1	15.3
£289	£169⅛	Do. 8pc Cnv. 91-94	£202½	+5	Q8%	31.6	f4.0	—
£124½	£104	Do. 12½pcLn 2009	£113½	−½	Q12½%	14.2	10.4	—
£119½	£98⅛	Do. 11¼pc 2019	£106¼		Q11¼%	12.4	10.2	—
324	56	Southend Stadium 5p	165xr		0.15	3.2	—	—
*583	233	Speyhawk	258	+5	g10.0	2.5	5.3	11.2
417½	154	Tops Estates	300		b0.48	1.5	—	—
£445	£570	Do. 7pc Cnv. 2014	£285		Q7%	—	f0.6	—
155	56	Town Centre	65xd	−2	1.25	♦	2.6	♦
50	33	‡Towngrade Secs 20p	30d		♦—			
570	255	Trafford Park	375		13.0	♦	4.7	♦
435	235	‡Transinvest 10p	325		†3.08	4.8	1.3	22.2
263	77	Trust of Prop. 5p	180		0.58	1.0	0.4	—

TEXTILES—Cont.

1987 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
126	63½	Corah	89	+1	4.0	0.9	6.2	25.3
535	304	Courtaulds	340	+3	9.5	3.2	3.8	8.9
200	125	CoxMoore 10p	130	+5	3.0	2.2	3.2	19.8
*236	121	Crowther (J.)	121	−3	†3.5	3.4	4.0	8.1
362	215	Dawson Intl.	216	−5	6.9	2.6	4.4	10.8
175	95	Drummond Group	131		‡2.47	4.1	2.6	10.2
188	108	Early's of Witney 10p	108	−2	1.32	3.6	1.7	20.2
166	69½	Foster (John)	115		3.5	0.9	4.2	(37.5)
275	111	Gaskell B'loom 20p	200		†6.0	2.9	4.1	11.4
315	83	Glen Abbey	218	−10	Q30.8%	—	3.3	—
223	138	Haggas (John) 10p	161	−4	3.0	♦	2.6	♦
99	37	Hicking Pentecost	63	−2	—	—	—	—
223	113	Ill'gworth M. 20p	148		4.0	3.0	3.7	12.3
170	120	Ingham(G) 10p	120xd		2.25	4.0	2.6	11.8
330	116	Jerome (Hldgs.)	293		†4.5	3.5	2.5	14.1
91	45	K'ngsly & F'rester 20p	53xd		3.04	1.3	7.9	13.1
350	175	Kynoch (G & G)	300		3.0	5.2	1.3	15.0
417½	203	Lamont Hldgs 10p	294xd		†5.5	3.5	2.6	14.2
365	171½	Leeds Grp.	290		†t6.21	3.2	2.5	17.3
240	195	Lister	149	+2	3.0	4.6	2.8	8.3
266	143	Lowe (Robert H.)	200		†1.7	6.9	1.2	13.1
163	102	Lyles (S.) 20p	140xd	−12	6.25	♦	5.8	♦
323	118	Mackay Hugh	290		†5.5	2.2	3.3	19.0
67	38	Mouton Bros.	43	+1	—	—	—	21.4
99	42	Palma Group	68		†2.5	1.9	5.1	13.0
245	121	Parkland 'A'	188		5.0	2.8	3.6	13.6
111	43	Readicut 5p	86	+1	2.18	2.7	3.5	14.3
102	50	Richards 10p	72	−1	†1.9	2.1	3.6	17.5
228	131	SEET 20p	165		5.3	2.5	4.7	12.4
198	109	Sekers Int. 10p	156	−2	2.65	4.7	2.3	11.4
173	78	Sirdar	135	−2	5.15	1.4	6.1	16.4
205	67	Smallshaw (R.) 10p	195		2.75	4.1	2.8	12.0
195	32	Stoddard	76		1.3	5.0	2.3	(9.1)
£11½	290	Do.10pc Conv Prf.	775		10%	—	1.8	—
255	133	Text'rd Jrsy. 10p	195	−3	6.0	2.0	4.2	16.4
600	298	Tomkinsons	440	−10	†4.0	5.1	1.2	21.4
160	102½	Tootal	115		†4.25	2.0	5.1	11.4
394	236	Toray Y50	311	+2	Q12%	1.3	0.8	—
169	32½	West Trust 2½p	65		†2.5	—	5.3	—
378	210	Yorklyde 10p	230	+5	7.55	3.3	4.5	9.2
25½	6	Youghal	16		b—	—	—	—

TOBACCOS

1987 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
709	382	BAT Inds.	443	+7	†14.3	3.5	4.4	7.6
£125	£107½	Do. 12½pcLn 2003-08	£113½xd	−⅛	Q12½%	26.4	ψ11.3	—
499	177	Rothmans 12½p	340	−5	7.7	3.9	3.1	8.8

TRUSTS, FINANCE, LAND

Investment Trusts

1987 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
199	129	Ailsa Inv.	139		2.5	1.1	2.5
£10⅝	770	Alliance Trust	773	−5	†25.0	1.0	4.4
288	181	Alva Investment Trust	243		2.6	♦	1.5
77	64	Ambrose Inv. Inc.	64xd		11.58	0.9	24.0
683	363	Do. Cap.	435	+15	—	—	—
181	116	American Trust	117	−3	3.3	1.4	3.9
172	115	American Tst. 'B'	115	−2	—	—	—
562	364	Anglo & O'seas Trust	364	−8	7.0	1.2	2.6
195	143	Archimedes Inc.	175		†10.9	1.0	8.6
373	175	Do. Cap. 50p	270	+10	—	—	—
134	80	ψArgo Inv (A$1)	88	−5	Q10%	1.1	3.3
69½	41	Atlantic Assets	43		b0.5	1.3	1.6
*144	75	Australia Inv Tst 50p	78	+3	†7.0	—	1.8

FINANCE, LAND—Cont.

1987 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
496	241	Nth. Brit. Canadian	405xd	−3	†7.45	1.0	2.5
40	22	Nth Scotland Inv 10p	28		0.25	♦	1.2
54	27	North Sea Assets 50p	50d		—	—	—
490	364	Nthn. American	364	−5	5.4	0.7	2.0
359	232	Northern Secs.	293		2.7	1.1	1.3
210	105	Pacific Assets Tst 50p	110	+2	0.77	1.7	1.0
140	50	Do. Warrants	58		—	—	—
109	56	Paribas French Inv. Ts.	58	+2	—	—	—
66	41	Personal Assets 12½p	47	−1	0.5	1.1	1.5
*111	83	Plantation Trust	86xd	+1	0.25	1.8	0.4
345	147	Precious Metals Tst.	219	−2	0.55	2.0	0.3
216	152	Primadona	153		a2.25	5.1	7.5
585	420	Raeburn	425	−5	Q16.0	0.9	5.3
298	153	Rights & Iss. Cap.	220		s0.2	—	—
25½	10½	River Mere Cnl PrfSp.	14		—	—	—
121	87	Do Inc 50p	97		R5.5	1.1	7.9
132	65	River & Mercantile Cap.	63		—	—	—
103	85	Do. Inc. 12½p	90	+1	R5.67	—	8.6
44	18	Do. Warrants 12½p	23		—	—	—
102	91	Do. Stepped Pref. 12½p	97½		R4.2	—	5.9
97	84	River Plate Inc.	89		—	—	—
95	68	Do Cap.	68		—	—	—
33	18	Do Warrants	19	+1	—	—	—
40	36	Do Zero Div Pf	39		—	—	—
£34½	£24½	Robeco (Br.) Fl10	£25⅜	−⅛	v027.2%	1.0	3.2
345	245	Do. Sub.Sh's Fl1	253	−2	v027.2%	1.0	3.2
£32⅝	£22	Rolinco NV Fl10	£23¼		v014.8%	1.0	1.9
326	220	Do. Sub. Shs. Fl. 1	232		v014.8%	1.0	1.9
454	323	Romney Trust	323	−5	5.0	0.8	2.1
£16¼	£13⅞	Rorento NV Fl.10	£15⅜	−¼	—	—	—
235	159	St. Andrew Tst.	170		R3.85	1.1	3.1
115	101	St David's Inv Tst Inc.	105		7.1	1.0	9.4
155	84	Do. Cap.	105	−5	—	—	—
315	268	SPLIT Inc. 10p	275		†19.11	♦	9.5
855	530	SPLIT Cap 10p	575	+20	—	—	—
232	134	SPRAIT 50p	157		3.6	1.2	3.1
189	78	Do. Warrants	118	−5	—	—	—
154½	133½	Do. Cum Ptg Pref	135		8.4	—	8.5
282	188	Schroder Global	190		4.25	1.1	3.1
119	80½	Scot. Am. Inv.	82	+1	2.0	1.0	3.3
770	520	Scot. Cities 'A'	690		26.0	1.1	5.2
179½	119½	Scot. East. Inv.	120	−3	2.2	1.0	2.5
509	359	Scottish Inv.	364	+3	†6.55	1.0	2.4
156	93	Scot. Inv. Tst. Wrnts	93		—	—	—
140	86	Scot & Merc 'A' 5p	115		5.0	1.0	6.0
150	99	Scot. Mort. & Tst.	99xd	−1	2.1	1.0	2.9
99	81	Scot National Tst Inc.	88	+1	K6.25	—	9.7
97	44	Do Cap.	50	+3	—	—	—
105½	97	Do Stepped Prf	105		K5.0	—	6.5
104	97	Do Zero Div Prf	103½		—	—	—
36	16	Do Warrants	17	+1	—	—	—
946	727	Sec. Alliance Tst.	727	−2	21.0	1.1	4.0
238	129	Second Market Inv 50p	132	+3	s0.2	—	0.2
130½	84	Securities Tst.Scot.	90	−1	3.6	1.0	5.6
259	190	Shires Inv. 50p	201	−2	K14.7	1.2	10.0
£136½	£104	Shires Inv 11pc Cnv Ln	£115½	−2	Q11%	—	(9.6)
151	86	Smaller Cos Inv Tst	101	−2	K1.0	♦	1.4
156	123	Strata Investments	125	−1	s0.42	4.6	0.5
148	96	Stratton Inv. Tst.	98	+2	10.24	—	0.3
192	100	TR Australia Trust	105	−2	2.41	♦	3.2
96½	62	TR City of London Dfd	64½xd	−1½	Y2.56	1.0	5.4
158½	105	TR Ind. & General	108	+1	†2.2	1.1	2.8
109	70	TR Natural Resources	76	+1	‡‡2.08	1.1	3.7
133	80	TR North America	82	−2	2.0	1.1	3.3
316	199	TR Pacific Basin	207½	+3½	ψ1.0	1.8	0.7
128	72	TR Prop. Inv. Tst.	86		1.4	1.2	2.2
90½	59	TR Technology	64		b0.95	1.2	2.0
155½	94	TR Trustees Corpn.	106	−2	2.2	1.1	2.8
272½	168	Temple Bar	187	−7	t6.49	1.1	4.8
£109⅝	£99⅝	Do 6pc.Cnv.Uns.Ln 2002	£100¼	+1	Q6%	—	(6.5)

OIL AND GAS—Continued

1987 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
38½	13¼	ψGulfstream Resll	18½	+5¼	—	—	—	—
£17⅞	£9⅝	Hamilton Oil Corp.	£10⅝	+⅞	t010c	—	0.4	—
355	67	‡‡Highland Particpts.	182	−2	—	—	—	—
265	151	Hunting P.S.	185xd		9.0	1.9	6.7	10.3
£144½	£87½	Do. 10pcCnv.Ln. '97	£110		Q10%	9.9	(7.5)	—
*84½	10	INOCO 10p	42	−4	—	—	—	—
426	142½	ψIntl Pet Corp.	142½	−11½	—	—	—	—
38	7	Jackson Expln.	21	−1	—	—	—	—
17	3	‡Jebsens Drilling	13d		—	—	—	—
39	10	KCA Drilling 1p	27		—	—	—	11.4
67	20	ψKenmare Oil Expln.	34	−1	—	—	—	—
145	95	Kingston Oil & Gas 50	98	−2	—	—	—	—
10	3	ψLeonard Oil A$1	4		—	—	—	—
394	161	LASMO	241	−8	†7.0	0.2	4.0	—
232	155	Do. "Ops" 10p	178	−5	‡38.16	—	‡	—
122½	101	Do. 9¼pc CnvRdPf £1	113	+1	9.63%	—	11.7	—
83	26	‡Lysander Pet. 5p	42	−1	—	—	—	—
6½	2½	ψMagnet Group A 10c	2½		—	—	—	—
58	19	‡‡Mariner 10p	24	−2	a—	—	—	—
10½	4	ψMeridian Oil NV	4	−½	—	—	—	—
10	3½	ψMonarch Res 10cts.	3½		—	—	—	—
30	11	‡Monument Oil 5p	18		—	—	—	—
15	3	‡‡Moray Firth 50p	15d		—	—	—	—
68	25	New London Oil 5p	33	−2	—	—	—	—
£24⅝	£13	Norsk Hydro Kr 25	£16½	+½	Q18%	—	2.5	—
100	23	‡Nth Sea & Gen Inv	58	−2	—	—	—	—
84	16	‡‡North West Expln.	69		—	—	—	—
25½	8½	ψOkla Res.	9½	−½	—	—	—	—
60	23	‡Oilfield Insp. Srvc.	46		—	—	—	—
100	12½	‡‡Oliver Resources	30	−1	—	—	—	—
14	3	Pan Pacific Pet.	6		—	—	—	—
81	37	ψPeko Oil	37		—	—	—	—
34	14	‡‡Pennine Res.	16		—	—	—	—
*168	58	Petrocon 12½p	87	−2	‡2.0	—	‡	—
£230	£148	ψPetrofina SA	£148		BFr360	3.0	5.5	9.1
54	19	‡Petrogen Petroleum	24	−1	♦—	—	—	—
5⅝	2	ψPetroz 10c	2½	+½	—	—	—	—
82	34	‡Pict. Pet. 5p	52		—	—	—	—
79¾	34	Premier Cons.	54½	−1½	—	—	—	31.1
428	220	Ranger Oil	231	+5	—	—	—	—
£89⅝	£60⅜	Royal Dutch FL10	£62¼	−1¼	Q128.0%	1.7	6.2	9.7
344	167	ψSantos A0.25c	177	−1	t0Q16c	♦	3.9	♦
297	19	‡Sapphire Pet 50p	37	+1	—	—	—	—
271	125	ψSceptre Resll	160	+6	—	—	—	—
£15¼	985	Shell Trans. Reg.	£10⅝	−⅛	†43.0	2.0	5.7	(13.9)
73	60½	Do. 7pcPf. £1	68		4.9%	z	9.9	—
360	158	Silkolene	260		†6.0	1.8	3.2	23.9
39	12	‡Southwest Res. 40p.	25	−2	♦—	—	—	14.1
*144	36	Sovereign Oil	91	−3	—	—	—	—
78	41	‡‡Sun (UK) Royalty 1p	51		—	—	—	—
*53	12½	TR Energy 10p	29xr		—	—	—	—
£104½	£57½	Texaco 8pc Cnv.	£93xd		Q4⅛%	—	f10.6	—
208	105	Tmoc Res A$0.25	191d		♦—	—	—	—
£267	£32½	Total-Cie Fr Pet B	£32⅞		v90%	—	9.3	—
148	74	Tricentrol	104	−6	—	—	—	—
£109⅝	£74⅞	Tricentrol 11pc Cv Ln	£104	+9	Q11%	—	f12.2	—
261	120	Triton Europe 5p	172	−7	—	—	—	♦
54	11	‡Tuskar Res Ir 5p	22	−2	—	—	—	—
320	162	Ultramar	205	−10	15.25	—	3.5	—
112	49	ψWoodside A50c	59	+6	—	—	—	—

OVERSEAS TRADERS

1987 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
110	53	African Lakes	66	−2	‡0.43	—	0.9	—
80	29	Boustead 10p	41	−2	†0.1	6.8	0.3	—
218	107	CHIllington Cpn	160		†b6.36	1.3	5.5	18.2
129	80	Finlay (James)	97	+1	4.15	1.0	6.0	(21.7)
26	6	ψFirst Pac. Int.	11	−1	Q0.26c	6.9	1.5	9.9
*£65	£34	GN Great Nordic £10	£40		12%	1.2	2.6	31.5
752	413	H'ris'ns. Cros. £1	540xd	+23	t24.0	1.2	6.0	21.1
950	505	Inchcape £1	577	−8	†21.0	2.2	5.1	10.7

MINES—Continued

1987 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
116	23	ψJingellic Mnls	25	+2	—	—	—
173	53	ψJulia Mines NL	70		—	—	—
34	5	ψKalbara Mn 20c	7	+1	—	—	—
61	25	ψKia Ora Gold $1	25	−3	Q2c	2.2	3.5
71	32	ψKitchener NL 25c	35		—	—	—
240	66	Mawson Pacific A$0.20	90	−5	—	—	—
86	29	ψMeekatharra 25c	36	+3	—	—	—
96	37	ψMetals Ex 50c	80		—	—	—
788	280	ψMetana Minerals N.L.	325	+35	Q20c	1.5	2.6
93	23	ψMetramar Mns 20c	26	+3	—	—	—
162	65	ψMIM Hldgs 50c	72	−2	hQ2.67c	3.7	1.6
9⅝	3¼	ψMinefields Expl 25c	4		—	—	—
56	14	ψMinoil Secs. 25c	14	−1	—	—	—
63	13	ψMount Burgess 20c	28	+2	—	—	—
195	54	ψNormandy Res NL	70		—	—	—
214	70	ψNorth B Hill 50c	92	−6	hQ5c	0.1	2.3
*95	39½	Nth. Kalgurli	46		Q2c	♦	1.8
37	9	ψOakbridge 50c	10	+1	—	—	—
43	18	ψOtter Expl'n. NL	23	+4	—	—	—
260	65	ψPan Aust Mining 25c	120		—	—	—
198	74	ψPancont'l 25c	82	+8	Q2.5c	7.3	1.3
75	26	ψParagon Resources NL	35		—	—	—
338	109	Poringa Mng/Exp 5p	163	−2	♦—	—	—
428	233	ψPeko-Wallsend 50c	248	+12	Q20c	1.8	3.4
98	27	ψPelsart Res NL	40	+4	—	—	—
22	12	ψPoseidon Mining	14		♦—	—	—
57	21	ψQueen Margaret Gold	50		—	—	—
74	15	ψRegent Mining 20c	28	+5	—	—	—
748	284	ψRenison 50c	314	−43	hQ10c	1.3	1.4
33	12	ψSamson Expl'n. NL	14	+2	—	—	—
33	10	ψSandhurst Mining	11		—	—	—
790	330	ψSons Gwalia NL	365	+35	Q32.5c	1.9	3.8
35	8	ψSthn. Goldfields	8	−2	Q1.5c	2.0	7.9
58	8½	ψSouthern Pacific	20	+2	—	—	—
160	52	ψSouthern Res.	56	+4	—	—	—
20	5	ψSouthern Ventures 25c	6	+1	♦—	—	—
55½	15	ψSpargos Expl'n	15		—	—	—
23	11	ψSwan Res 20c	12	+1	—	—	—
67	24	ψThames Mining 25c	38	+2	—	—	—
140	70	ψUtd Goldfields NL	100	−5	‡Q5c	3.1	2.1
35	12	ψWest Coast 25c	14		—	—	—
*425	101	Westn. Mining 50c	205	+7	gQ10c	♦	2.1
350	115	ψWhim Creek 20c	135	+20	Q11c	16.4	3.5
77	54	ψWindsor Res NL	70		♦—	—	—

Tins

1987 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
90	50	ψAyer Hitam $M1	50xd		‡tQ53.3c	0.7	‡
165	30	Geevor	95		—	—	—
95	50	Gopeng Berhad M$0.50	58	−10	Q5c	—	2.2
220	49	Jantar 12½p	80	−10	—	—	—
85	37	Malaysia Mng. 10c	40xd	−2	KnQ2c	2.8	1.0
155	105	Petaling $M1	145		vQ10c	—	1.7
130	75	Sungei Besi $M1	130		—	—	—
170	90	Tanjong 15p	150		—	—	—
210	105	Tronoh $M1	160		‡tQ45c	0.8	‡

Miscellaneous

1987 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
140	53½	Anglo-Dominion	53½	−4	—	—	—
182		Butte Mining 10p	165		—	—	—
90	21	ψColby Res Corp.	25½	−7	—	—	—
*313	127	Cons. Murch. 10c	187		Q60c	4.4	9.5
*72	37½	‡Emess,Int.,Ir10p	49		—	—	—
*440	139½	Greenwich Res.	303	−5	—	—	—
£13⅛	£7⅛	Hemlo Gold Mines	£7⅛	−⅛	—	—	—
355	128	ψHighwood Res.	144	+16	—	—	—
£29	£16⅜	Homestake Mining $1	£18xd	+⅞	Q20c	—	0.7
455	150	ψMcFinley Red Lake	289	+57	—	—	—
166	26½	ψMinto Explorations	28¾	+2½	—	—	—
160	37½	ψNew Sabina Res C$1	83	−6	—	—	—
598	200	Northgate C$1	263	+9	—	—	—
237	85	Nor-Quest Resources	85		—	—	—
580	279	RTZ 10p	320	−28	†9.4	2.9	4.1

THIRD MARKET

1987 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
228	130	Crown Eyeglass 5p	138	−2	—	—	—	—
*62	6	Eglinton Expln.I.R.5p	20	−1	—	—	—	—
41	11	Do. Warrants	12		—	—	—	—
186	88	Far East Res. 10p	88	−7	—	—	—	—
110	30	Gardner (J.) 5p	73	−3	R1.25	2.3	2.3	25.3
53	29	Honorbilt Group 5p	35	−1	—	—	—	29.4
133	65	Leading Leisure 5p	85	+5	0.9	3.1	1.5	24.6
95	68	Lynx Tech. 5p	80	−2	b—	—	—	9.2
180	115	Medirace 10p	123		—	—	—	—
98	44	ψOvoca Gold IR 2p	60	−1	—	—	—	—
82	17	Publishing Hldgs.5p	43xr	−3	—	—	—	25.9
128	93	Seacon Hldgs.	93	−2	—	—	—	14.1
87	45	Theme Holdings	53		1.0	1.9	2.6	28.4
210	140	UPL Group 10p	145	−2	L2.41	2.8	2.3	—
140	103	Unit Group	117	+14	R4.6	2.5	5.4	(8.3)

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 27 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ψ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ‡ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 535(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ▮ No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1986-87. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1986. K Dividend and yield based on prospectus or other official estimates for 1987-88. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1987. P Figures based on prospectus or other official estimates for 1987. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xf ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −	Stock	Price	+ or −
Albany Inv 20p	83		Fin. 13% 97/02	£109⅝	
Craig & Rose £1	713		Arnotts	253	−27
Finlay Pkg. 5p	98	+9	CPI Hldgs	65	−5
Holt (Jos) 25p	£11½		Carroll Inds.	138	−10
IoM Stm. £1	240		Dublin Gas	48	
			Hall (R. & H.)	140	
IRISH			Heiton Hldgs.	47	+3
Fund 11¼% 1989	£100¼	+¼	Irish Ropes	165	−15
Nat. 9¾% 84/89	£98½		Norish	313	−12
			Unidare	338	

TRADITIONAL OPTIONS

3-month call rates

Industrials	p		
Allied-Lyons	40	NEI	13
Amstrad	19	Nat West Bk	65
BAT	62	P & O Dfd	65
BOC Grp	50	Plessey	20
BSR	17	Polly Peck	34
BTR	36	Racal Elect	32
Babcock	32	RHM	35
Barclays	52	Rank Org Ord	70
Beecham	52	Reed Intnl	50
Blue Circle	50	STC	30
Boots	30	Sears	16
Bowaters	50	TI	37
Brit Aerospace	50	TSB	12
Brit. Telecom	28	Tesco	18
Burton Ord	32	Thorn EMI	65
Cadburys	25	Trust Houses	25
Charter Cons.	45	T&N	26
Comm Union	34	Unilever	62
Courtaulds	45	Vickers	20
FNFC	32	Wellcome	42
Gen Accident	95	Property	
GEC	22	Brit Land	30
Glaxo	200	Land Securities	50
Grand Met	50	MEPC	48
GUS 'A'	125	Peachey	40
Guardian	95		
GKN	38	Oils	
Hanson Tst.	17	Brit Petroleum	32
Hawker Sidd	58	Britoil	30
ICI	125	Burmah Oil	52
Jaguar	52	Charterhall	10
Ladbroke	45	Premier	11
Legal & Gen	32	Shell	125
Lex Service	45	Tricentrol	11
Lloyds Bank	35	Ultramar	26
Lucas Inds.	73	Mines	
Marks & Spencer	22	Cons Gold	125
Midland Bk	45	Lonrho	28
Morgan Grenfell	55	Rio T Zinc	100

A selection of Options traded is given on the London Stock Exchange Report Page.

LONDON STOCK EXCHANGE

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Oct 26	Nov 5	Nov 6	Nov 16
Nov 9	Nov 19	Nov 20	Nov 30
Nov 23	Dec 3	Dec 4	Dec 14

*New time dealings may take place from 9.00am two business days earlier.

Government bonds and equity sectors easier in cautious trading session

THE UK securities markets maintained the more optimistic mood shown at the end of last week, although investment interest was restrained by the uncertainties still hanging over the global markets.

The expectations of another cut in domestic interest rates were again damped down by the Bank of England's unwillingness to respond to an initial dip in money market rates, as well as by the continued firmness of the pound.

"The UK authorities are unlikely to trim rates again unless it is part of a general international strategy", was the considered view in London.

On the domestic front, the session passed without incident. Turnover in equities was sharply down from recent levels. The withdrawal from both gilt-edged and eurobond marketmaking of Orion Royal Bank, subsidiary of Royal Bank of Canada, left the securities markets unperturbed.

But the City is poised for the Autumn statement on the economy which is due today from Mr Nigel Lawson, the UK Chancellor of the Exchequer.

The FT-SE 100 Index ended a net 26.1 lower at 1723.7, not far from its opening level and showing a 12 point rally from its lowest level.

The settlement operation for the last equity market account, spanning the calamitous week which commenced with Black Monday and saw the London share market tumble by more than one fifth, passed off without tremors - although the City has to wait until mid-week to "see if any cheques bounce".

With hopes of a further cut in UK bank base rates subdued, Government bonds shaded lower as traders awaited the outcome of this week's $23.75bn auction of US Federal securities. While a largely routine quarterly operation in the New York market, the Federal funding will be eagerly scanned elsewhere because of the uncertainty over global interest rates.

UK bonds ended with losses of about ⅛ without attracting much retail interest. London traders were nervous of reports of a bear squeeze in the New York bond market but benefited from a firm close in the London close in bond futures.

There were a few bright spots in the equity sector. **TSB** (Trustee Savings Bank) ended firmly as the bid for Hill Samuel cleared its remaining hurdles.

The international stocks were mostly easier, with **Imperial Chemical Industries** and **Glaxo** unable to sustain the recoveries staged at the end of last week.

The level of business in **BP** old and new shares was described as "disappointing" by a leading trader in the shares. The partly-paid stock opened on an easier note and slipped back to 80½p at one point, before recovering to end the day 3½ off at 81½p as the "man in the street" continued to chase the shares. Volume in the new approached 100m shares, compared with Friday's debut turnover of almost 260m shares.

BP "old" closed a net 10 off at 257p with some 12m shares going through the SEAQ system. Traders reported numerous switches from the "old" to the "new" shares.

News that the Gas Consumers Council has passed on a number of complaints from industrial consumers to the Office of Fair Trading triggered a flurry of selling of **British Gas** shares which retreated to 142p at one point before settling a net 6 off at 146p, after a turnover of over 12m shares. British Gas described the referral as "completely unnecessary".

Dealers reported an extremely quiet session in the financial sectors. The big-four banks drifted easier. But **Bank of Scotland** continued to reflect brokers' views that the bank is a safe and defensive stock in troubled times and edged up 5 more to 505p. **TSB** hardened a couple of pence to 110p following the egm where shareholders approved the takeover of Hill Samuel.

Kleinwort Benson were a shade easier at 447p as the merchant bank confirmed that Sumitomo Life of Japan had acquired a 1½ per cent stake in the company; Kleinwort's £143m rights issue closes on Thursday.

Elsewhere, **Moorgate Mercantile**, where Woodchester recently announced it had built up a 29.9 per cent stake, added 8 more to 99p.

Life assurances were quietly easier, according to dealers, but composites remained unsettled by the recent profits downgradings calculated by Morgan Grenfell. **Commercial Union** dipped 8 to 323p, **GRE** 15 to 858p, **General Accident** 10 to 808p and **Royals** 6 to 415p.

Strong buying by Kitcat & Aitken lifted insurance broker **Minet** 15 to 352p.

Computer stationery to bulk warehousing concern **Fairway** staged a successful debut in the Unlisted Securities Market; the shares, placed at 74p, opened at 74½p and moved steadily higher to close at 81p.

Elders XL postponement of the proposed public offering of Courage shares failed to enthuse the Brewery sector. **Allied-Lyons** lost 7 to 338p, despite vague suggestions of US brewer Anheuser Busch building up a small stake, while **Whitbread "A"** came back 6 to 287p and **Bass** eased 8 to 832p. **Guinness** traded lightly and finally showed little change at 256p. Newspaper advice that **Matthew Brown** shareholders should accept the exchange terms offered by **Scottish & Newcastle** because of the latter's minimal US exposure stood both shares in good stead. Scottish & Newcastle rose 13 further to 235p and Matthew Brown gained 19 to 672p. Elsewhere, **Merrydown** slipped 10 to 380p.

The Building sector gave a resilient performance, underpinned by hopes of lower interest rates in the near future. Demand in a market short of stock boosted **Rugby** 12 to 214p, while Australian stake-building rumours confined the fall in **BPB Industries** to just 3 pence at 282p. **Blue Circle** settled unchanged at 359p, but **Tarmac** slipped 5 to 229p. **Barratt Developments** were marked down to 155p initially, but picked up late in the session to close 4 higher 164p. **Costain**, another takeover play within the sector, slipped 5 to 235p.

Currency considerations continued to influence **ICI** which closed ⅛ off at £10⅝. Elsewhere in the Chemical sector, **Wardle Storeys** regained composure and rose 30 to 595p, while **Laporte** held at 370p. **Amersham International** came under selling pressue and fell 21 to 405p.

British Telecom, where 8.4m shares went through the market, dropped 9 to 228p after a "sell" recommendation from securities house BZW. **GEC**, on the other hand, spurted 6 to 186p on a turnover of 8.2m shares amid vague market rumours of a possible link with French group Matra. A view that the recent sharp fall in the shares had been overdone lifted **Thorn EMI** 3 to 473p. **Racal** picked up 4 to 214p reflecting switching out of **Plessey**, 4 easier at 148p.

Leading retailers, among the market's best performers during the past couple of weeks, suffered a minor, setback. **Woolworths** dropped 25 to 307p as weekend reports of the imminent departure of Malcolm Parkinson, the Chief Executive of the group, were confirmed by the company. **Storehouse**, meanwhile, lost 16 to 261p after the Takeover Panel's ruling on the involvement of Dr Marwan.

Engineers presented a mixed appearance. **Glynwed**, which has no US exposure and is currently being recommended as a good safety-first stock by Scrimgeour Vickers, found support and moved up 10 to 430p. **Camford** were also favoured and put on 7 to 165p, while **VSEL Consortium** firmed 35 to 510p in a restricted market. **TI Group**, partly reflecting its US vulnerability. eased 12 to 267p. News of the £12m acquisition of Dectector Electronics Corporation of America left **RHP** 5 lower at 172p.

S. & W. Berisford were a weak feature in the Food sector, slumping some 57 pence to 314p after **Associated British Foods'** holding statement on whether or not to proceed with its 400p per share offer for the company following the deterioration in world market conditions. The latter, which revealed slightly disappointing interim results yesterday, lost 15 at 295p.

Tate and Lyle remained on offer and shed 14 more to 606p, while **Rowntree Mackintosh** fell 13 to 412p.

International stocks passed a rather quiet trading session. Apart from the general uncertainty caused by settlement fears, underlying sentiment was not helped by fresh weakness in the US dollar, and prices failed to build on last Friday's recovery movement. **Boots** ended 13 cheaper at 239pp, but **Glaxo** settled only ⅛ off at £11½ with **Beecham**, 418p, and **Hanson**, 135p, just a few pence cheaper. **Reuters**, a particularly depressed market of late on its US exposure, took a distinct turn for the better in response to Press mention and rallied to close 19 better at 483p. **Pilkington** held up resonably well at 218p following news of the contract to supply thermal imaging equipment to the US army. Elsewhere, **Eastern Produce** reacted afresh to 323p, down 10, on the sharp fall in the half-year profits. Currency worries prompted renewed selling of **British Aerospace**, down 21 more at 337p, and **Pearson** remained on offer at 625p, down 11, but **Hunting Associated** responded to the good interim figures with a rise of 25 to 465p. **Ricardo** advanced 10 to 120p on bid hopes.

Jaguar continued to suffer from its high exposure to the US dollar and closed 7 down at 322p but **Lucas Industries** rose 5 to 521p following comment that the group would shortly announce a joint venture to supply brakes to US car manufacturers. **Kwik-Fit** rallied 6 to 175p but other Motor Component and Distributor issues were usually easier.

Kleinwort Grieveson's recent strong recommendation underpinned **United Newspapers** (451p) but **Associated** drifted lower to end a net 7 cheaper at 457p. Paper/Printings moved irregularly with **Norton Opax** losing 6 to 139p. **DRG** remained at 349p after news that Govett Strategic IT had disposed of its stake, while favourable press mention lifted **Finlay Packaging** 9 to 98p.

Leading Properties were able to consolidate Friday's gains following a quieter and calmer trade. Hopes of a further cut in base rates shortly remained an underpinning influence. **Land Securities** were steady throughout, closing unchanged at 450p, while **MEPC** firmed 8 to 418p. **British Land** hardened 3 to 228p and **Slough Estates** picked up a penny at 218p. On the other hand, **Hammerson A** gave ground in the absence of takeover developments, mooted recently, to close 17 lower at 443p. Elsewhere, **Kentish Properties** shed 17 to 168p; the company has acquired a 6-acre development site in East London for some £2m.

Bat Industries continued its recent recovery movement, closing 7 to the good at 443p after a volume of some 2.9m shares.

Sudden demand in a thin market brought a swift response in **M & G**, which jumped 27 to 294p. Other miscellaneous Financials trended lower with **Close Bros.** falling 23 to 200p and **National Home Loans** losing 10 to 173p.

Harrisons & Crosfield were steadily bought and finished 23 higher at 548p; interest was helped by the advice in County NatWest's daily notes yesterday of a promising fundamental outlook for the group's UK businesses plus yield attractions.

FINANCIAL TIMES STOCK INDICES

	Nov. 2	Oct. 30	Oct. 29	Oct. 28	Oct. 27	Year Ago	1987 High	1987 Low	Since Compilation High	Since Compilation Low
Government Secs.	89.76	89.87	90.14	90.14	88.92	83.19	93.32 (8/5)	83.73 (19/10)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	93.55	93.76	93.68	93.69	93.19	89.15	99.12 (15/6)	90.23 (2/1)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary ♥	1342.7	1360.9	1303.4	1288.5	1322.0	1294.1	1926.2 (16/7)	1288.5 (28/10)	1926.2 (16/7/87)	49.4 (26/6/40)
Gold Mines	314.9	312.1	309.9	323.8	330.2	271.3	497.5 (4/8)	288.2 (19/2)	734.7 (15/2/83)	43.5 (26/10/71)
Ord. Div.Yield	4.60	4.55	4.76	4.80	4.66	4.35				
Earnings Yld. %(full)	11.43	11.30	11.83	11.93	11.57	10.07				
P/E Ratio (net)(*)	10.70	10.82	10.34	10.26	10.57	12.14				
SEAQ Bargains (5pm)	43,020	59,138	37,681	45,378	57,523	-				
Equity Turnover (£m)	-	1563.99	1390.19	1832.31	1843.51	726.68				
Equity Bargains	-	63,406	47,971	58,079	74,392	39,534				
Shares Traded (ml)	-	734.0	549.3	723.4	778.6	355.7				

S.E ACTIVITY

Indices	Oct.30	Oct.29
Gilt Edged Bargains	128.8	141.9
Equity Bargains	410.8	310.8
Equity Value	3161.2	2811.4
5-Day average		
Gilt Edged Bargains	147.1	154.0
Equity Bargains	417.5	463.8
Equity Value	3284.3	3873.6

♥ Opening	10 a.m.	11 a.m.	Noon	1 p.m.	2 p.m.	3 p.m.	4 p.m.
1336.9	1341.2	1336.0	1348.4	1351.0	1350.1	1342.4	1347.7

Day's High 1353.4 Day's low 1333.4

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, S E Activity 1974, * Nil=10.55.

LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-246 8026

Traditional Options

- First dealings Nov 02
- Last dealings Nov 13
- Last declarations Feb 04
- For Settlement Feb 15

For rate indications see end of London Share Service

Stocks to attract money for the call included **Acsis Jewellery, Astra Holdings, Glaxo, British Aerospace, Central and Sheerwood, North Kalgurli, Cluff Oil, Virgin, Control Securities, ICH, Norfolk Capital, Queens Moat Houses, Lloyds Bank, First Leisure, Darne Estates, B. Elliott, P and O, Powerscreen, Ossory and Rock.**

NORTHERN IRELAND

The Financial Times proposes to publish a Survey on the above on

Thursday, December 3, 1987

For a full editorial synopsis and details of available advertisement positions, please contact:

BRIAN HERON

on 061-834 9381

or write to him at:

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FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for Alpha securities dealt through the SEAQ system yesterday until 5 pm.

Stock	Volume 000's	Stock	Volume 000's	Stock	Volume 000's
ASDA-MFI	2,100	English China Clays	318	Plessey	6,300
Allied-Lyons	2,800	Enterprise Oil	194	Prudential	100
Amstrad	2,000	Fisons	893	Racal	5,900
Argyll Group	981	Gen. Accident	333	Rank Org.	210
Assoc. Brit. Foods	491	Gen. Elect	8,200	RMC	633
BAA	1,300	Glaxo	1,900	RHM	999
BAT	2,900	Globe Investment	631	Reckitt & Col.	145
BET	1,000	Granada	226	Redland	1,100
BICC	244	Grand Met	5,200	Reed Intl.	510
BOC	1,500	GUS A	495	Reuters	2,400
BPB Inds	1,800	Guardian R.E.	537	RTZ	975
BTR	3,200	GKN	500	Rolls-Royce	1,900
Barclays	2,450	Guinness	2,000	Rothmans	373
Bass	1,050	Hammerson	257	Rowntree	99
Beecham	1,000	Hanson Trust	5,800	Ryl Bank Scotland	461
Blue Arrow	2,800	Hawker Sidd	797	Royal Insurance	311
Blue Circle	625	Hillsdown Hldgs	3,000	STC	1,400
Boots	4,400	IMI	217	Saatchi & Saatchi	546
Brit. Airways	3,400	ICI	2,500	Sainsbury	1,500
Brit. Aero	1,900	Jaguar	1,200	Scott & Newcastle	3,000
Brit. & Comm.	182	Ladbroke	1,300	Sears	1,200
British Gas	10,900	Land Securities	1,000	Sedgwick	472
Britoil	1,600	Laporte	152	Shell Trans	766
BP	12,900	Legal & Gen.	139	Smith & Nephew	757
Brit. Telecom	8,400	Lloyds Bank	832	Standard Chart.	153
Bunzl	1,400	LASMO	313	Storehouse	1,600
Burmah Oil	316	Lonrho	608	Sun Alliance	153
Burton	1,800	Lucas	686	TSB	2,200
Cable & Wire	2,700	MEPC	485	Tarmac	1,100
Cadbury Schweps	2,300	Marks & Spencer	4,300	Tesco	4,600
Coats Viyella	1,900	Maxwell Comms.	1,200	Thorn EMI	1,500
Comm. Union	586	Metal Box	2,300	Trafalgar House	1,300
Cons. Gold	206	Midland Bank	1,200	T'house Forte	1,400
Cookson	128	NatWest Bank	1,600	Ultramar	163
Country & New.T	23	Next	1,300	Unilever	975
Courtaulds	528	Northern Foods	305	United Biscuits	724
Dalgety	182	Pearson	226	Wellcome	1,400
Dee Corpn	1,300	Pearl Assurance	296	Whitbread A	1,000
Dixons Group	3,100	P & O	593	Woolworth	2,600
		Pilkington Bros	1,600		

NEW HIGHS AND LOWS FOR 1987

NEW HIGHS (5)

BRITISH FUNDS (1) Treas.2pc.1988 COMMONWEALTH & AFRICAN LOANS (1) Zimbabwe Ann. BUILDINGS (1) Gibbs & Dandy ENGINEERING (1) Heath (Samuel) INDUSTRIALS (1) Malco

NEW LOWS (88)

AMERICANS (3) CANADIANS (8) BANKS (4) BREWERS (1) BUILDINGS (1) CHEMICALS (1) STORES (1) ELECTRICALS (8) ENGINEERING (2) INDUSTRIALS (10) INSURANCE (3) LEISURE (5) MOTORS (1) NEWSPAPERS (1) PAPERS (2) PROPERTY (3) TEXTILES (2) TRUSTS (34) OILS (3) OVERSEAS TRADERS (1) MINES (15) THIRD MARKET (3)

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	35	51	27
Corporations, Dominion and Foreign Bonds	19	10	26
Industrials	305	744	537
Financial and Properties	137	257	235
Oils	24	52	38
Plantations	1	3	10
Mines	76	51	69
Others	119	76	74
Totals	716	1,244	1,016

FT-ACTUARIES INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Monday November 2 1987 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (27%)	Est. P/E Ratio (Net)	xd adj. 1987 to date	Fri Oct 30 Index No.	Thu Oct 29 Index No.	Wed Oct 28 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (214)	707.46	−0.6	9.96	4.01	12.61	18.27	712.00	688.43	683.13	665.27
2	Building Materials (30)	934.14	−0.6	9.95	3.94	12.54	22.91	940.04	918.44	882.22	865.73
3	Contracting, Construction (33)	1290.85	−0.9	9.82	3.90	13.61	29.46	1301.92	1283.29	1280.18	1121.89
4	Electricals (14)	1857.45	−0.4	9.75	4.69	13.38	54.41	1864.27	1823.73	1813.13	1732.91
5	Electronics (34)	1557.92	+0.7	10.37	3.24	12.57	35.33	1547.47	1481.14	1489.38	1433.68
6	Mechanical Engineering (60)	361.75	−1.7	10.09	4.43	12.46	11.01	368.00	360.70	360.77	370.57
8	Metals and Metal Forming (7)	403.77	+0.3	9.75	4.09	12.49	9.11	402.54	381.85	370.30	335.47
9	Motors (14)	264.48	−1.4	11.67	4.38	9.96	5.86	268.35	256.47	252.28	258.43
10	Other Industrial Materials (22)	1178.99	−1.1	8.84	4.40	13.45	36.48	1191.79	1141.71	1139.87	1226.41
21	CONSUMER GROUP (182)	1023.53	−1.3	8.11	3.44	15.66	18.71	1036.91	995.56	981.35	942.88
22	Brewers and Distillers (21)	949.49	——	10.57	3.90	11.95	17.52	949.20	923.50	915.94	955.63
25	Food Manufacturing (23)	798.30	−2.6	9.23	3.89	13.99	16.66	819.54	784.37	777.25	712.56
26	Food Retailing (16)	2878.13	−0.4	7.11	2.84	18.73	39.67	2886.16	2828.73	1993.83	1876.49
27	Health and Household Products (10)	1780.98	−1.3	6.31	2.49	18.33	16.41	1803.92	1714.69	1656.64	1541.48
29	Leisure (30)	1001.47	−0.4	7.41	4.20	16.84	28.16	1006.18	1027.75	1023.90	937.01
31	Packaging & Paper (16)	494.29	−1.3	8.36	3.62	15.75	11.13	500.55	481.94	478.32	477.40
32	Publishing & Printing (15)	3375.07	−1.3	5.95	4.17	21.56	67.89	3419.76	3256.84	3266.74	2591.53
34	Stores (35)	877.27	−2.5	8.33	3.37	16.19	16.95	899.63	864.03	849.21	879.37
35	Textiles (16)	606.80	+0.8	10.38	3.80	11.14	12.57	601.86	584.11	585.19	532.04
40	OTHER GROUPS (87)	834.22	−1.2	10.42	4.25	11.95	20.82	844.63	807.10	803.71	788.98
41	Agencies (17)	1024.48	——	6.10	2.21	21.53	16.79	1024.99	954.56	967.11	0.0
42	Chemicals (21)	1001.50	−1.1	9.84	4.59	12.42	33.10	1012.90	952.76	958.72	998.61
43	Conglomerates (13)	1101.73	−1.1	9.33	4.25	12.26	22.33	1113.89	1057.58	1039.35	0.0
45	Shipping and Transport (11)	1773.23	−0.2	9.55	4.64	13.75	51.44	1777.49	1687.99	1709.50	1534.91
47	Telephone Networks (2)	886.77	−3.1	11.43	4.56	11.67	18.98	915.57	892.77	871.79	775.33
48	Miscellaneous (23)	1157.32	+0.7	12.99	4.06	9.18	32.87	1149.69	1103.86	1106.86	1109.74
49	INDUSTRIAL GROUP (483)	898.42	−1.1	9.20	3.80	13.69	19.71	908.52	872.72	864.06	838.63
51	Oil & Gas (17)	1670.14	−2.6	9.95	5.89	12.40	65.73	1715.44	1674.34	1643.60	1404.84
59	500 SHARE INDEX (500)	963.83	−1.3	9.31	4.11	13.48	23.68	976.93	940.70	930.19	806.42
61	FINANCIAL GROUP (120)	636.39	−0.9	—	4.86	—	20.08	642.21	624.05	621.38	618.85
62	Banks (8)	636.52	−1.6	20.97	6.12	6.31	25.90	647.38	628.95	629.04	672.62
65	Insurance (Life) (8)	938.49	−0.2	—	4.90	—	32.56	940.48	918.49	880.40	821.45
66	Insurance (Composite) (7)	505.75	−1.3	—	5.45	—	17.20	512.40	494.91	482.36	474.99
67	Insurance (Brokers) (8)	890.85	−1.0	12.47	6.43	10.26	38.19	900.28	861.05	863.55	1280.97
68	Merchant Banks (12)	386.81	−0.5	—	3.42	—	8.69	388.74	387.91	388.29	344.37
69	Property (49)	924.84	−0.1	5.24	3.21	24.62	16.02	925.82	894.13	912.90	791.35
70	Other Financial (28)	411.47	−0.9	8.74	3.93	14.52	18.39	415.10	404.25	402.10	356.35
71	Investment Trusts (88)	839.94	−0.7	—	2.96	—	15.17	845.76	829.77	840.94	824.58
81	Mining Finance (2)	404.41	−4.3	11.24	4.22	10.02	18.41	422.44	403.27	388.06	332.44
91	Overseas Traders (10)	934.45	——	9.81	5.22	11.95	33.95	934.84	890.50	881.37	759.99
99	ALL-SHARE INDEX (720)	876.80	−1.3	—	4.20	—	22.36	887.33	856.05	847.91	811.26

	Index No.	Day's Change	Day's High	Day's Low	Oct 30	Oct 29	Oct 28	Oct 27	Oct 26	Year ago
FT-SE 100 SHARE INDEX ♦	1723.7	−26.1	1737.1	1712.0	1749.8	1682.0	1658.4	1705.3	1684.1	1639.2

FIXED INTEREST

	PRICE INDICES	Mon Nov 2	Day's change %	Fri Oct 30	xd adj. today	xd adj. 1987 to date
	British Government					
1	5 years	123.40	+0.10	123.28	–	9.45
2	5-15 years	140.29	——	140.42	0.14	12.14
3	Over 15 years	149.14	+0.09	149.01	–	12.02
4	Irredeemables	167.49	−0.05	167.58	–	13.35
5	All stocks	137.17	+0.05	137.17	0.07	11.30
	Index-Linked					
6	5 years	121.68	+0.14	121.51	–	2.18
7	Over 5 years	107.13	−0.65	107.84	–	2.89
8	All stocks	108.19	−0.58	108.82	–	2.82
9	Debentures & Loans	117.82	−0.56	118.48	–	9.47
10	Preference	84.17	+1.09	83.26	–	4.95

	AVERAGE GROSS REDEMPTION YIELDS		Mon Nov 2	Fri Oct 30	Year ago (approx.)
	British Government				
1	Low	5 years	8.69	8.70	9.72
2	Coupons	15 years	9.24	9.22	10.25
3		25 years	9.05	9.06	10.25
4	Medium	5 years	9.33	9.35	11.07
5	Coupons	15 years	9.43	9.43	10.56
6		25 years	9.27	9.29	10.21
7	High	5 years	9.39	9.42	11.13
8	Coupons	15 years	9.59	9.59	10.75
9		25 years	9.29	9.30	10.29
10	Irredeemables†		9.00	9.02	10.07
	Index-Linked				
11	Inflation rate 5%	5yrs.	3.27	3.31	4.41
12	Inflation rate 5%	Over 5 yrs.	4.41	4.36	3.80
13	Inflation rate 10%	5 yrs.	3.43	3.47	3.82
14	Inflation rate 10%	Over 5 yrs.	4.44	4.39	3.64
15	Debs &	5 years	11.14	11.20	11.49
16	Loans	15 years	10.84	10.76	11.46
17		25 years	10.84	10.75	11.43
18	Preference†		10.85	10.97	11.54

♦Opening index 1717.5; 10 am 1721.4; 11 am 1714.9; Noon 1732.5; 1 pm 1736.0; 2 pm 1734.2; 3 pm 1724.6; 3.30 pm 1731.5; 4 pm 1729.8

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 32p.

LONDON TRADED OPTIONS

Option		CALLS			PUTS		
		Jan.	Apr.	Jly.	Jan.	Apr.	Jly.
Allied Lyons (*339)	330	35	50	63	23	28	33
	360	22	35	48	38	43	47
	390	13	25	35	60	63	67
Brit. Airways (*141)	140	25	35	44	20	27	35
	160	15	24	35	34	37	47
	180	8	15	24	50	50	57
Brit. & Comm. (*343)	300	68	75	85	20	25	30
	330	43	55	65	30	40	47
	360	28	38	50	45	53	60
B.P. (*259)	260	19	32	42	20	30	40
	280	—	22	33	—	43	48
	283	12	—	—	35	—	—
Bass (*835)	800	75	110	130	43	55	68
	850	48	80	100	70	85	93
	900	30	55	80	95	115	120
Cons. Gold (*838)	800	120	150	160	60	100	130
	850	95	125	140	95	140	170
	900	75	100	125	130	180	210
Courtaulds (*340)	330	45	55	70	30	35	42
	360	30	37	48	50	55	60
	390	18	27	37	70	75	80
Com. Union (*323)	300	50	65	75	25	30	45
	330	35	45	55	35	40	50
	360	23	33	45	50	60	70
	390	19	25	35	75	80	85
Cable & Wire (*325)	280	70	82	100	17	32	42
	300	60	70	80	25	37	52
	330	42	57	65	40	52	65
	360	27	44	55	63	70	85
British Gas (*147)	135	23	—	—	10	—	—
	140	—	25	30	—	18	25
	145	17	—	—	16	—	—
	155	12	—	—	20	—	—
G.E.C. (*189)	180	24	35	45	16	22	25
	200	15	25	32	25	32	35
	220	7	16	20	37	43	47
G.K.N. (*279)	260	43	53	65	25	37	47
	280	33	45	55	35	50	58
	300	23	40	48	48	63	73
Grand Met. (*407)	360	68	75	88	10	20	23
	390	48	55	65	20	30	38
	420	33	40	52	35	45	50
I.C.I. (*1060)	1000	155	170	200	75	100	105
	1050	130	140	180	95	120	130
	1100	105	120	155	120	150	160
Jaguar (*320)	280	62	70	85	20	32	38
	300	52	62	77	30	42	49
	330	35	47	65	45	55	65
Land Securities (*450)	420	60	70	83	30	35	40
	460	42	52	62	48	55	63
	500	25	38	45	68	75	90
Marks & Spen. (*200)	200	22	32	30	18	22	36
	220	14	22	30	28	34	38
	240	7	16	20	46	50	52
Britoil (*209)	200	38	50	52	23	30	38
	220	27	35	42	33	42	47
	240	17	27	33	43	55	60
Rolls-Royce (*134)	120	27	35	40	10	15	18
	130	20	25	35	15	20	25
	140	14	17	22	20	23	30
Shell Trans. (*1035)	1000	107	145	178	80	105	135
	1050	82	120	155	108	135	165
	1100	65	98	135	127	160	195
Storehouse (*259)	260	33	48	60	23	28	33
	280	25	38	52	33	37	40
	300	18	32	43	50	55	58
Trafalgar House (*314)	280	55	65	75	10	17	20
	300	37	48	60	25	30	35
	330	17	33	48	40	47	52
xTSB (*111)	110	16	22	28	10	15	18
	120	12	17	22	18	22	23
	130	7	12	15	25	28	30
Woolworth (*315)	280	60	70	80	10	15	22
	300	40	55	60	25	27	32
	330	22	40	45	30	40	45

Option		CALLS			PUTS		
		Nov.	Feb.	May	Nov.	Feb.	May
Brit Aero (*336)	360	15	38	50	35	50	67
	390	7	30	40	60	72	87
	420	5	22	32	90	95	108
BAA (*111)	100	18	28	30	5	15	15
	110	10	20	25	10	18	22
	120	5	15	20	15	25	27
BAT Inds (*444)	390	70	90	100	7	15	25
	420	45	68	80	15	28	37
	460	22	50	62	28	40	55
Brit. Telecom (*233)	220	22	33	42	7	15	23
	240	10	23	32	15	27	37
	260	5	12	22	32	40	45
Cadbury Schweppes (*233)	220	23	32	38	8	14	16
	240	13	19	25	17	22	26
Guinness (*255)	240	28	35	47	10	18	27
	260	15	25	35	22	30	40
	280	8	18	25	38	45	53
Ladbroke (*354)	300	63	75	88	4	10	18
	330	35	50	62	8	18	25
	360	12	35	45	23	30	50
LASMO (*242)	220	47	—	—	20	—	—
	240	27	40	53	25	32	42
	260	18	27	38	35	43	53
Pilkington (*218)	200	28	43	53	13	17	25
	220	13	33	40	20	20	33
	240	7	20	28	35	35	45
Plessey (*149)	140	20	33	40	8	17	22
	160	9	21	29	23	30	34
	180	6	12	19	36	42	47
Prudential (*863)	800	100	140	170	35	55	65
	850	70	120	140	45	75	85
	900	35	90	100	75	100	105
P. & O. (*520)	460	72	90	100	12	23	30
	500	37	60	73	23	37	43
	550	13	—	—	38	—	—
Racal (*214)	200	27	37	47	12	17	23
	220	13	28	35	18	27	32
	240	6	20	26	30	40	47
R.T.Z. (*320)	300	55	90	95	17	35	50
	320	40	—	—	35	—	—
	330	—	75	75	—	60	75
Vaal Reefs (*$106)	100	11	23	30	9	14	17
	110	6	18	24	15	25	27
	120	4½	14	19	23	28	33
Tr. 11¾% 1991 (*107)	102	4½	4½	—	0⅛	0¼	—
	104	2⅝	2⅝	—	0⅛	0⅜	—
	106	1⅛	1½	—	0⅝	1⅜	—
	108	0⅜	0¾	—	1⅝	2⅜	—
Tr. 12% 1995 (*113)	112	—	—	2¾	—	—	2⅞
	114	—	—	2	—	—	3⅝
Tr. 11¾% 03/07 (*118)	114	4⅞	6¼	6¾	0⅛	2⅛	2⅞
	116	3⅜	4⅞	5⅛	1⅛	2⅞	3¼
	118	2⅛	3⅝	4⅛	1⅞	3⅝	4½
	120	1⅛	3	4	2⅞	4⅝	5¼

Option		CALLS			PUTS		
		Dec	Mar	June	Dec	Mar	June
Amstrad (*127)	110	35	42	52	10	15	25
	120	28	37	45	15	25	30
	130	20	30	37	25	28	35
Barclays (*470)	460	55	75	90	35	50	60
	500	30	50	70	50	65	75
	550	12	30	45	85	95	100
Beecham (*420)	390	55	80	90	25	37	43
	420	40	67	76	40	52	57
	460	25	43	60	68	75	83
Boots (*241)	220	34	45	53	9	17	22
	240	22	35	43	20	25	32
	260	14	25	35	34	35	40
BTR (*247)	220	45	55	65	15	25	25
	240	25	35	45	23	38	35
	260	17	25	35	35	45	50
Blue Circle (*356)	350	28	—	—	25	—	—
	360	—	43	52	—	43	47
	375	15	—	—	37	—	—
De Beers (*$1080)	1050	100	—	—	60	—	—
	1100	70	—	—	110	—	—
	1200	50	—	—	190	—	—
Dixons (*260)	240	37	47	58	15	20	23
	260	26	37	47	25	27	30
	280	19	30	38	32	38	42
Glaxo (*1145)	1050	150	180	205	60	65	80
	1100	120	150	180	80	85	100
	1150	100	125	155	110	115	120
	1200	75	105	135	140	140	150
Hanson (*135)	110	30	33	38	4	7	11
	120	22	26	31	7	10	15
	130	16	21	25	11	16	20
	140	11	16	20	17	22	26
Lonrho (*235)	220	38	48	55	20	25	32
	236	28	—	—	25	—	—
	240	—	37	48	—	33	42
Midland Bk (*355)	360	40	65	75	35	50	55
	390	27	50	65	50	65	75
	410	15	—	—	60	—	—
Sears (*132)	120	18	24	29	6	12	15
	130	12	19	24	11	15	18
	140	8	14	19	17	20	23
Tesco (*171)	160	—	30	38	—	17	20
	167	18	—	—	15	—	—
	180	—	—	26	—	—	30
Trusthouse Forte (*200)	180	40	53	37	12	18	25
	200	25	33	40	20	30	37
	220	13	25	33	35	45	38
Thorn EMI (*479)	420	100	120	145	20	30	40
	460	70	95	115	40	52	60
	500	50	70	85	60	85	95
Unilever (*488)	420	95	115	125	15	30	38
	460	60	90	100	27	45	55
	500	40	65	80	48	65	75
Wellcome (*336)	300	60	75	95	20	30	40
	330	40	60	75	35	48	55
	360	30	47	60	50	65	75

Option		Nov.	Dec.	Jan.	Feb.	Nov.	Dec.	Jan.	Feb.
FT-SE Index (*1730)	1600	180	210	235	—	50	85	110	—
	1650	145	180	205	—	75	105	130	—
	1700	110	150	180	210	90	130	155	180
	1750	90	130	155	185	120	155	180	210
	1800	70	110	135	170	150	185	210	235
	1850	52	95	115	—	185	215	240	—

November 2. Total Contracts 28,661. Calls 16,241. Puts 12,420. FT-SE Index Calls 1,197. Puts 806.

*Underlying security price.

LONDON RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. date	1987 High	1987 Low	Stock	Closing Price p	+ or -	Net Div.	Times Cov'd	Gross Yield	P.E. Ratio
§130	F.P.	20/11	170	103	Alba 10p	103	-3	L3.8	2.2	5.0	10.5
§61	F.P.	-	96	61	♦Amer.Plast.Inc. $0.01	73	-2	W025c	4.6	2.1	10.2
775	F.P.	6/11	240	160	Anglo Leasing 10p	165	-5	L2.5	4.2	2.1	11.9
-	F.P.	23/10	27	17	Atlantic Assets Wrrnts.	17		-	-	-	-
§105	F.P.	-	160	101	♦Banner Homes 10p	101	-4	R2.6	2.9	3.5	7.54
330	120	-	88	81½	British Petroleum	81½	-3½	W12.5	1.5	5.8	14.5
70.3	F.P.	-	73	65	CDFC Trust 10p	66	-3	-	-	-	-
§18	F.P.	-	27	18½	♦Chartsearch 1p	27	+½	R0.44	3.0	2.2	20.3
10	F.P.	11/12	14½	7	EFM Dragon Trust 5p	9½		-	-	-	-
‡	F.P.	-	268	243	English & Caledonian Inv.	238		-	-	-	-
32	F.P.	30/10	50	29	♦Explaura 5p	29	-1	-	-	-	-
74	F.P.	-	81	74½	♦Fairway (London)5p	81		R2.5	1.8	4.2	14.3
-	F.P.	-	67	38	First Spanish I.T. Wrrnts.	38	-2	-	-	-	-
-	F.P.	-	104	88	Haden MacLellan 20p	104	+9	1.9	1.5	0.21	-
-	F.P.	23/10	23	15	Independent Inv. Wrrnts.	15		-	-	-	-
§80	F.P.	-	148	96	ISA Intl. 5p	100		R1.17	4.0	1.6	21.4
§60	F.P.	-	82	61	*Kemp (P.E.)5p	63	+2	-	-	-	11.3
§170	F.P.	-	191	170	Lloyd Thompson 5p	175	+5	L4.3	2.1	3.4	19.2
§115	F.P.	-	128	78	♦Marcol 5p	78		L2.3	2.1	4.0	16.5
257	F.P.	-	98	55	Moorgate Inv. Wrrnts.	70		-	-	-	-
§100	F.P.	-	108	103	New Guernsey Securities	103		-	-	-	-
§10.58	F.P.	-	$21¼	$10½	Portugal Fund $0.01	$10½		-	-	-	-
§123	F.P.	-	111	75	Power Corpn.Ir.$0.01	75	-5	Q36.9	2.5	4.5	9.8
§88	F.P.	-	90	80	Record Hldgs 5p	80	-3	R2.0	3.2	3.4	12.6
130	F.P.	20/11	253	178	Security Archives 20p	185		R4.0	2.0	2.9	22.6
§180	F.P.	-	180	135	Shaftsbury £1	137		-	-	-	-
250	F.P.	12/12	317	163	♦Stanhope Prop.	189	-4	-	-	-	-
§20	F.P.	-	26	20	♦Tubular Exhibitions	26		-	-	-	-
§67	F.P.	9/11	98	73	♦URS Intl.$0.01	73		W4.75	1.9	3.5	14.6
§60	F.P.	-	99	75	♦WSP Hldgs.5p	76		R1.5	3.0	3.9	17.9
‡	F.P.	-	30	16	Wiltshire Securities	30xr	+2	-	-	-	-

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc Date	1987 High	1987 Low	Stock	Closing Price £	+ or -
100	Nil	20/11	106½	87p	Allied Lon. Props. 5¼pc Cnv. Red. Pf	87p	-1
100	£10	21/1	14	10¼	Chester Wtr. Wks. 11¾pc Rd.Db.98/2000	12p	
§100	F.P.	-	129p	94p	Morrison (Wm.) 5¼pc.Cnv.Red.Pf.	100p	+3
-	F.P.	-	100⅜	99⅝	N'wide Anglia 10⅝pc 12.9.88	100⅞	
-	F.P.	-	100½	99¾	Do. 10⅝pc 26.9.88	100⅛	
-	F.P.	-	100⅝	100⅛	Do. 10¾pc 31.10.88	100⅜	
♦	F.P.	-	109½	99½	Next 5¾pc Cnv. 2003	101	+¼
100	F.P.	-	140p	136p	P & O 5.5pc.Red Nn.Cnv.Pf.£1	136p	+4
§100	F.P.	-	115p	113p	Record Hldgs. 10pc Cnv. Red. Prf. £1	114p	
100	F.P.	-	95p	93p	♦Shield Grp. 5.84pc Cnv. Cum. Red. Pf.	95p	+2
-	Nil	-	1½pm	¼pm	Utd. Scientific 5¾pc Cnv. N-V. Pref.	¼pm	

RIGHTS OFFERS

Issue Price £	Amount Paid up	Latest Renunc Date	1987 High	1987 Low	Stock	Closing Price £	+ or -
500	Nil	-	263pm	65pm	A.C. Hldgs. 5p	75pm	-13
992	Nil	-	4pm	3pm	Ansbacher (H.) Units♦♦	3pm	
213	Nil	-	28pm	8½pm	Birmingham Mint	8½pm	
30	Nil	-	33pm	13pm	♦Compsoft Hldgs.5p	23pm	
100	Nil	-	3½pm	3pm	Falcon Inds.5p	3pm	
5	Nil	-	28pm	15pm	♦Fletcher Dennys 5p	18pm	-7
66	Nil	-	11½pm	¾pm	Harmony Leisure	¾pm	
265	Nil	4/11	34pm	¾pm	♦Hunter Saphir	½pm	
450	Nil	4/12	140pm	1½pm	Kleinwort Benson L	2pm	-1
370	Nil	27/11	81pm	¼pm	Ladbroke 10p	¼pm	-¼
70	Nil	11/12	9pm	3pm	Linca 2½p	3pm	-1
385	Nil	-	43pm	2pm	Lilleshall	2pm	
735	Nil	-	65pm	10pm	♦Local London	15½pm	
380	Nil	-	40pm	3pm	Peachey Prop	3pm	
80	Nil	-	460pm	265pm	Press Tools	265pm	
55	Nil	14/11	11pm	1½pm	Publishing Hldgs. 5p	2½pm	
30	Nil	-	5pm	1½pm	Stonehill Hldgs.	1½pm	-2
27	Nil	-	4½pm	2pm	TR Energy	2pm	
270	Nil	5/11	33pm	4pm	Wace Group 20p	4pm	

Renunciation date usually last day for dealing free of stamp duty.a Annualised dividend.b Figures based on prospectus estimates.d Dividend rate paid or payable on part of capital, cover based on dividend on full capital.g Assumed dividend and yield.L Estimated annualised dividend,cover and p/e based on latest annual earnings.N Dividend and yield based on prospectus or other official estimates for 1987. Q Gross.R Forecast annualised dividend,cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures.Z Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided. ‡ Issued by tender.§ Offered to holders of ordinary shares as a rights.† Introduction.¶Placing price.†† Reintroduction.♦ Issued in connection with reorganisation merger or takeover.‡ Allotment price.♦ Unlisted securities market.♦ Official London listing.□ Including warrants entitlement.* Third Market.♦♦ Unit comprises 6 new ord. at 82p and £5 Nom.of 9pc.Cnv. Sub. Ln.1998.

WORLD STOCK MARKETS

AUSTRIA

November 2	Price Sch %	+ or −
Creditanstalt	2,020	+50
Goesser	3,010	+60
Interunfall	11,350	−100
Jungbunzlauer	7,080	+100
Laenderbank	360	−2
Perlmooser	622	−3
Steyr-Daimler	116	+1
Veitscher Mag	724	+14

BELGIUM/LUXEMBOURG

October 30	Price Frs.	+ or −
B.B.L.	2,350	+50
Banque Gen. Du. L.	14,000	−180
Bank Int. A	13,400	—
Bekaert B	8,510	+310
Ciment CBR	4,850	+250
Cockerill	130	+6
Cobepa	6,300	+90
Delhaize	2,985	+270
EBES	4,205	+145
Fabrique Nat	950	−10
GB Inno BM	870	+120
GBL (BrxcL)	2,950	+140
Generale Bank	4,510	+410
Gevaert	6,650	+250
Hoboken	6,360	+160
Intercom	3,400	+240
Kredietbank	3,350	+150
Pan Holdings	12,000	—
Petrofina	9,800	+490
Raffinerie Tirle	1,352	+72
Royale Belge	4,900	+400
Soc Gen Belge	2,520	+365
Sofina	10,375	+975
Solvay	10,900	+920
Stanwick Intl	450	—
Tractebel	6,350	+370
UCB	8,750	+850
Wagons Lits	4,200	+200

DENMARK

November 2	Price Kr %	+ or −
Baltica Hldgs	840.00	—
Cop Handelsbank	233.00	+4
D. Sukkerfab	285.00	+8
Den Danske Bank	300.00	+4
East Asiatic	184.00	+3
Forenede Bryg	838.00	+15
GNT Holding	265.00	+10
I.S.S.B. Systems	750.00	—
Jyske Bank	455.00	—
Novo Inds*	154.00	−5
Privatbanken	231.00	+6
Sophus Berendsen	820.00	+5
Superfos	216.00	+6

FINLAND

November 2	Price Mks	+ or −
Amer	212.5	−5
KOP	56.05	−1.45
Kone	217.5	—
Finnish Sugar	66	+4.5
Kymmene	115	−1
Nokia	208.5	+0.5
Pohjola 'B'	86.15	+0.4
Rauma-Repola	26	+0.5
Stockmann 'B'	240.5	−9.5
SSF'C'	31.7	+0.95
Utd. Paper	125	+2.5
Wartsila (£1)	220.5	−5

FRANCE

October 30	Price Frs.	+ or −
Emprunt 4.5% '73	1,808	−2
Emprunt 7% 1973	8,960	+45
Accor	360	+18
Agence Havas	461	+30
Air Liquide	535	+24
Alcatel	1,551	+99
BIC	530	+21
BNP (Cert.Inv.)	329	+9
Bongrain	2,361	+161
Bouygues	951	+121
BSN Gervais	4,320	+220
Carrefour	2,320	−29
Club Mediterrane	392	+24
Cie Bancaire	307	−1
Cofimeg	303	−5
CGE	246	+14
Damart	2,285	+55
Darty	295	−4
Dumez S.A.	705	+55
Eaux (Cie Gen)	1,059	+54
Elf-Aquitaine	286	−4
Essilor	2,440	+40
Gen.Occidentale	710	+30
Imetal	131	+7.2
LVMH	1,541	+94
Lafarge Coppee	1,228	+68
L'Oreal	2,830	+140
Legrand	2,330	+180
Maisons Phenix	69	+6
Matra S.A.	2,051	—
Michelin B	238	+20
Midi (Cie)	903	+36
Moulinex	57	+1
Nord Est.	101	+6
Paribas	365	−13
Pernod Ricard	749	+49
Perrier	626	+31
Petroles Fra	356	+6
Peugeot S.A.	1,160	+45
Printemps Au	480	+19
Radiotech	1,069	+40
Redoute	2,755	+75
Roussel-Uclaf	920	—
St. Gobain	442	+18
Sefimeg	410	+11
Skis Rossignol	1,040	+40
Telemech Elect	2,815	+55
Thomson (CSF)	842	+22
Valeo	510	+58

GERMANY

November 2	Price Dm.	+ or −
AEG	246.7	−4.3
Allianz AG	1,195 xr	+12
BASF	265	−6.8
Bayer	287	−6.5
Bayer-Hypo	363	−15
Bayer-Verein	353	—
BHF-Bank	400	−8
BMW	509	−11
Brown Boveri	295	−5
Commerzbank	245	−1.5
Cont'l Gummi	250.8	−2.2
Daimler-Benz	804	−9
Degussa	410	−15
D'sche Babcock	180	+10
Deutsche Bank	419.5	−8.5
Dresdner Bank	267.5	−2.5
Feldmuehle Nobel	265	+1
Henkel	527	+14
Hochtief	420	−30
Hoechst	260	−4
Hoesch Werke	104	−3.5
Holzmann (P)	505	−22
Horten	182	−6
Hussel	462	−11
Karstadt	452.5	−1.5
Kaufhof	430	−2
KHD	110	−16.8
Kloeckner Werke	130	+4.9
Linde	570	−15
Lufthansa	140.5	+3.5
MAN	146	—
Mannesmann	139.7	−5.3
Mercedes Hld	677	+6
Metallgesell	277	−1
Munich Rueck	1,355	+33
Nixdorf	658	+14
Porsche	650	−10
Preussag	148	+6
Rhein West Elect	224	+3
Rosenthal	212	−6
Schering	480	+7
Siemens	484	−3
Thyssen	109	−3
Varta	276	+1
Veba	287.5	+2
V.E.W.	159	−0.9
Vereins-West	382	−8
Volkswagen	272.5	−2.5

ITALY

November 2	Price Lire	+ or −
Banca Com'le	2,600	−51
Bastogi-IRBS	345	−12
CIR	3,825	−155
Credito Italiano	1,610	−60
Fiat	9,350	−105
Generali Assicur	92,000	−1,800
Italcementi	98,000	−4,800
La Rinascente	1,062	—
Montedison	1,620	−24
Olivetti	8,350	−165
Pirelli Co	4,700	+40
Pirelli Spa	3,840	−79
Saipem	3,010	+9
Snia BPD	3,040	−50
Toro Assic	22,670	−530

NETHERLANDS

November 2	Price Fls.	+ or −
ACF Holding	45.00	—
AEGON	59.50	−2.5
Ahold	68.90	−0.6
AKZO	117.00	−3
ABN	37.80	−1.7
AMEV	42.50	−0.4
AMRO	62.20	−0.5
Buehrmann-Tet	41.30	−1.4
Dordtsche Petroleum	195.00	−2
Elsevier Ndu	42.50	−1.9
Fokker	26.30	+2.1
Gist Brocades	34.00	−1.6
Heineken	137.50	−1.5
Hoogovens	33.60	−0.9
Hunter Douglas	42.50	−0.5
IHC Caland	17.00	−0.2
Int Mueller	44.50	−1
KLM	34.80	−0.3
KNP	116.00	−1.7
Nat Ned Cert	50.30	−3
Ned Mid Bank	129.80	—
Ned Lloyd	135.00	−4.5
Oce Grinten	223.00	−2
Ommeren (Van)	28.00	−0.9
Pakhoed	64.80	−0.2
Philips	33.50	−1.6
Robeco	85.20	−0.9
Rodamco	140.50	−0.5
Rolinco	78.20	−0.3
Rorento	51.90	—
Royal Dutch	210.30	−5.6
Unilever	107.80	−3.7
VMF Stork	15.30	—
VNU	62.50	−1.5
Wessanen	65.00	−4
Wolters Kluwer	104.00	+0.5

NORWAY

November 2	Price Kroner	+ or −
Aker Norcem	65.00	+0.5
Bergen Bank	188.00	+5
Borregaard B	342.50	+11.5
Christiania Bk	186.00	+2
Den Norske Credit	168.00	+3.5
Elkem	84.50	+2
Hafslund	410.00	+20
Kosmos	127.00	+4.5
Kvaerner	240.00	+7.5
Norsk Data	125.00	−7
Norsk Hydro	180.00	—
Orkla Borregaard	415.00	+15
Storebrand	75.00 xa	+7

SPAIN

November 2	Price Pts.	+ or −
Alsasur	725.00	—
Banco Bilbao	1400.00	+94
Banco Central	890.00	+80
Banco Exterior	490.00	+40
Banco Hispano	690.00	+60
Banco Popular	1499.00	+99
Banco Santander	1035.00	−45
Banco de Vizcaya	1450.00	+130
Banesto	901.00	+51
Dragados	525.00	+42
Hidrola	95.50	+4.5
Iberduero	118.50	+3.5
Petroleos	836.00	—
Telefonica	171.00	+16

SWEDEN

November 2	Price Kronor	+ or −
AGA (Free)	158.00	−7
Alfa-Laval	305.00	−5
ASEA B (Free)	360.00	+5
Astra B (Free)	196.00	+1
Atlas Copco	159.00	—
Beijer A Fria	233.00	—
Cardo (Free)	290.00	—
Cellulosa	278.00	+1
Electrolux B	230.00	−5
Ericsson	180.00	−1
Esselte	155.00	—
Mo Och Domsjo	352.00	+12
Pharmacia	159.00	+3
Saab-Scania (free)	202.00	−3
Sandvik	157.00	−3
Skandia Ins	166.00	—
Skandia Intl	183.00	−2
Skan Enskilda	126.00	—
SKF	266.00	−6
St Kopparbergs	330.00	—
Svka Handelsbn	540.00	—
Swedish Match	95.50	−1.5
Volvo B (Free)	310.00	−7

SWITZERLAND

November 2	Price Frs.	+ or −
Adia Intl	7,000	+250
Alusuisse	580	−10
Bank Leu	2,850	—
Brown Boveri	2,310	−60
Ciba Geigy	3,050	−65
do. (PtCts)	1,835	+35
Credit Suisse	2,760	−15
Elektrowatt	3,000	+50
Fischer (Geo.)	975	—
Hoff-Roche (PtCts)	109,000	−500
Hoff-Roche 1/10	10,800	+50
Jacobs Suchard	7,775	+125
Jelmoli	2,825	−50
Landis and Gyr	1,525	+15
Nestle	8,575	+225
Oer-Buhrle	1,240	+100
Pargesa Hldg	1,580	−20
Pirelli	356	+8
Sandoz (Br)	11,800	−200
Sandoz (PtCts)	1,820	+80
Schindler (PtCts)	540	−10
Sika	610	+10
Surveillance	4,375	+25
Swissair	1,005	+5
Swiss Bank	410	+5
Swiss Reinsce	13,480	+500
Swiss Volksbk	1,925	−25
Union Bank	3,925	—
Winterthur	5,100	+50
Zurich Ins	5,400	—

AUSTRALIA

November 2	Price Aust$	+ or −
ACI Int.	3.55	+0.1
A.F.P.	1.08	+0.13
Adelaide Steamsh	5.70	+0.12
Amcor	3.70	+0.1
ANZ Group	4.05	+0.27
Ampol Pet	2.55	—
Ariadne Aust	0.88	+0.09
Ashton	2.08	+0.26
Aust Consmd	2.50	+0.1
Aust Nat Inds	1.80	+0.05
Bell Group	3.05	+0.15
Bell Resources	1.72	+0.22
Bond Corp Hldgs	1.55	+0.05
Boral	4.10	+0.3
B'ville Copper	3.05	+0.25
Brambles Inds	7.70	+0.2
Bridge Oil	1.14	+0.19
BHP	8.80	+0.5
BHP Gold	1.22	+0.08
Burns Philp	3.30	+0.35
CRA	5.20	+0.45
CSR	3.50	+0.3
Chase Corp	2.30	−0.05
Clearmont Petro	0.78	+0.02
Coles Myer	6.84	+0.04
Comalco 'A'	2.58	+0.05
Consolidated Pet	0.30	—
Costain Aust	2.30	+0.1
Elders IXL	3.72	+0.37
Energy Res	1.90	+0.05
Gen Prop Trust	2.70	−0.05
Goodman Fielder	3.60	+0.2
Hardie (J)	3.30	+0.05
Hartogen Energy	1.70	+0.05
ICI Aust	3.90	+0.05
Industrial Equity	2.50	+0.25
Jimberlana (50cFP)	0.27	+0.02
Jones (David)	7.00	+0.2
Kia Ora Gold	0.55	−0.05
Kidston Gold	5.00	+0.3
Lend Lease	9.80	−0.2
MIM	1.75	+0.05
Mayne Nickless	4.40	+0.7
Nat.Aust. Bank	4.45	+0.25

AUSTRALIA (Continued)

November 2	Price Aust$	+ or −
News	11.50	+1.5
Noranda Pacific	1.95	—
North Bkn Hill	2.32	+0.02
Oakbridge	0.25	—
Pacific Dunlop	4.00	+0.27
Pancont'l	1.90	+0.2
Pioneer Conc	2.98	+0.08
Placer Pacific	2.05	+0.15
Poseidon	3.70	+0.2
Queensland Coal	1.15	—
Santos	4.40	+0.25
Smith (H.)	3.70	+0.1
Thos Nationwide	3.40	+0.3
Tooth	6.10	+0.1
Vamgas	2.20	−0.3
Western Mining	5.14	+0.19
Westpac	4.70	+0.3
Woodside Petrol	1.50	+0.3
Woolworths	2.50	+0.1
Wormald Intl	2.90	+0.1

HONG KONG

November 2	Price H.K.$	+ or −
Bank East Asia	19.60	−0.4
Cathy Pacific	5.45	−0.05
Cheung Kong	7.40	−0.3
China Light	28.10	—
Evergo	0.39	−0.05
Hang Lung	3.82	+0.05
Hang Seng Bank	29.30	−0.6
Henderson Land	3.87	+0.17
Hongkong China	11.20	−0.2
HK Electric	7.55	−0.15
HK Land	7.30	−0.05
HK Shanghai Bank	7.40	−0.05
HK Telephone	11.90	−0.6
Hutchison Wpa	7.65	−0.2
Indust Equity P	12.50	—
Jardine Math	9.90	+0.6
New World Dev	6.30	−0.15
SHK Props	8.70	−0.1
Shell Elec.Mfg	0.91	−0.11
Swire Pac A	13.40	+0.6
TV-B	8.30	−1
Wharf Hldgs	5.75	−0.15
Winsor Ind	7.50	−0.15
World Intl Hldgs	3.90	—

JAPAN

November 2	Price Yen	+ or −
Ajinomoto	3,370	−10
All Nippon Air	2,210	+10
Alps Electric	1,790	−50
Asahi Chemicals	1,090	+10
Asahi Glass	1,850	−30
Bank Tokyo	1,400	+20
Bridgestone	1,200	—
Brother Inds	628	+8
Canon	959	−3
Casio Computers	1,130	−10
Chugai Pharm	1,680	+10
Daiei	1,420	−20
Dai Ichi Kan Bank	2,980	−20
Dai Nippon Ink	764	+4
Dai Nippon Ptg	2,170	−20
Daiwa House	1,850	—
Daiwa Sec.	2,350	−80
Eisai	1,830	+10
Fanuc	4,980	+30
Fuji Bank	3,150	+10
Fuji Film	3,660	−40
Fujisawa	1,900	+40
Fujitsu	1,130	−20
Furukawa Elect	792	−13
Green Cross	2,460	+10
Heiwa Real Est.	1,860	+10
Hitachi	1,140	−40
Hitachi Credit	1,570	+70
Honda	1,300	+10
Indl Bank Japan	3,200	−40
Ishikawajima Ha	640	+32
Isuzu Motors	423	−7
Itoh(C)	675	−10
Ito Yokado	3,610	−90
JAL	18,000	—
Jusco	1,250	−20
Kajima	1,800	—
Kao Corp	1,830	—
Kawasaki Steel	354	−1
Kirin	2,170	−10
Kobe Steel	307	−1
Komatsu	675	—
Konishiroku	798	+2
Kubota	550	+1
Kumagai	999	−1
Kyoto Ceramic	4,600	—
Marubeni	466	+6
Marui	2,770	+40
Mazda Motors	415	+5
Meiji Seika	988	+28
MEI	2,010	+10
M'bishi Bank	2,840	—
M'bishi Chem	1,010	—
M'bishi Corp	1,060	+20
M'bishi Elec	560	−1
M'bishi Estate	2,320	−30
MHI	651	−4
Mitsui Bank	2,240	+10
Mitsui Co.	684	−6
Mitsui Estate	1,930	−30
Mitsui Toatsu	676	−4
Mitsukoshi	1,600	—
NGK Insulators	941	−9
Nikko Sec	1,880	—
Nippon Denso	1,580	−20
Nippon Elect	1,680	−10
Nippon Express	1,300	+10
Nippon Gakki	1,530	—
Nippon Kogaku	968	−2
Nippon Kokan	359	+6
Nippon Oil	1,260	+40

JAPAN (Continued)

November 2	Price Yen	+ or −
Nippon Seiko	575	+5
Nippon Shinpan	1,060	+50
Nippon Steel	441	−1
Nippon Suisan	580	−9
Nippon Yusen	619	−8
Nissan Motor	720	−5
Nisshin Flour	1,230	+20
Nomura	3,600	−70
Olympus	1,000	—
Onoda Cement	741	+1
Orient Finance	1,420	−10
Orient Leasing	3,040	+40
Pioneer	2,170	−50
Ricoh	1,080	−40
Sankyo	1,520	—
Sanwa Bank	2,440	—
Sanyo Elect	495	−5
Sapporo	1,660	+40
Sekisui House	1,890	+40
Seven-Eleven	6,900	−80
Sharp	956	−23
Shimizu Const.	1,030	—
Shionogi	1,520	—
Shiseido	1,700	+80
Showa Denko	749	+19
Sony	4,000	−70
Sumitomo Bank	3,430	−50
Sumitomo Chem	786	−3
Sumitomo Corp	940	—
Sumitomo Elect	1,600	−10
Sumitomo Metal	320	+4
Sumitomo Tr & Bk	3,070	−50
Taisei Corp	1,090	+10
Taisho Marine	1,050	−30
Taiyo Kobe Bank	1,450	−20
Takeda	2,960	+50
TDK	4,050	—
Teijin	788	+16
Toa Nenryo Kyo	1,800	—
Tokai Bank	2,040	−10
Tokio Marine	1,970	—
Tokyo Electric Pwr	6,800	—
Tokyo Gas	1,020	—
Tokyu Corp	1,650	−10
Toppan Print	1,700	+40
Toray	742	−10
Toshiba Elect	661	−15
Toyo Seikan	2,350	+80
Toyota Motor	1,820	−10
UBE Inds	432	−2
Victor	2,250	+20
Yamaha	810	—
Yamaichi Sec	1,850	−10
Yamanouchi	3,540	+90
Yamazaki	1,380	+20
Yasuda Fire	975	−5

SINGAPORE

November 2	Price $	+ or −
Boustead Hldgs	1.15	+0.23
Cerebos Pacific	4.18	−1.82
Cold Storage	4.24	+0.04
DBS	9.40	+0.45
Genting	4.26	+0.16
Haw Par Bros.	3.20	+0.2
Hong Leong Fin	3.00	+0.3
Inchcape Bhd	3.44	+0.44
Keppel Shipyard	2.25	+0.19
Malayan Banking	4.48	+0.12
Malayan Utd Ind	1.51	+0.05
Multi Purpose	0.47	+0.01
OCBC	7.30	+0.1
OUB	3.68	+0.08
Public Bank	1.76	+0.21
Sime Darby	2.09	+0.11
Singapore Air	9.50	+0.45
Singapore Press	7.00	+0.4
Straits Trading	5.30	—
Tat Lee Bank	3.20	+0.1
UOB	5.20	+0.22

SOUTH AFRICA

November 2	Price Rand	+ or −
Abercom	2.10	—
AE & CI	13.50	—
Allied Tech	100.00	−20
Anglo Am Coal	35.00	−1
Anglo Am Corp	67.50	−1.5
Anglo Am Gold	315.00	—
Barclays Bank	19.50	—
Barlow Rand	21.75	—
Buffels	65.00	+0.5
CNA Gallo	4.50	—
Currie Finance	5.00	—
De Beers	36.75	+2.5
Driefontein	75.00	—
Freegold	45.00	—
Gold Fields SA	67.00	−3
Highveld Steel	5.30	—
Malbak Hldgs	17.75	—
Nedbank	6.85	—
OK Bazaars	14.25	—
Rembrandt	10.10	—
Rust Plat	34.00 xa	—
Safren	24.00	—
Sage Holdings	14.00	—
SA Brewers	19.00	—
Smith (C.G.)	37.50	—
Tongaat Hulett	11.10	—

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. (u) unavailable. # Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all. * Price in Kroner

OVER-THE-COUNTER *Nasdaq national market, closing prices*

Continued from Page 49

Stock	Sales (Hnds)	High	Low	Last	Chng
OldRep.61b	6 813	22¾	21⅝	22⅝	+1
Omnicm .96	1575	17⅛	d16⅝	17	+ ⅛
OneBc .40	4 382	10⅝	10¼	10⅝	+ ⅛
OnePrs	15 264	9¾	9	9	
OpticC	48 265	12⅞	12⅝	12⅝	− ¼
OpticR	13 159	15¼	14⅝	14¾	+ ¼
Oracles	70 1798	25¾	23	25¼	+ 1
Orbit	11 462	4⅜	4⅛	4½	− ⅛
Orgngn	739	13	10	12	+1
OshBA .54	14 313	48½	47	48½	+1
OshkTB .30	6 220	17¼	16¼	17¼	+ ¾
OttrTP 2.92	11 565	34¾	34¼	34½	− ¼
OwenMn.36	10 88	15¼	14¾	14¾	− ⅛
P Q					
PACE	687	5⅛	4⅞	5⅛	+ ¾
PCS	38 98	25¼	24¾	25¼	+ ¼
Pacar 1.50a	9 1177	52	49	52	+3¼
PacFst .40e	3 833	13	12¼	13	+ ½
Pantera	21 858	7½	6¾	7	− ⅛
Parisan	18 633	20½	19½	20	− ¼
Patlex	222	11¼	10½	11¼	+ ⅛
PaulHrs	11 319	8	7¼	8	+ ¼
Paychx	38 475	22	21¼	21¼	
PegGld	41 1674	14⅝	13⅞	14½	+ ⅝
Penbcs .88	11 49	25⅝	25¼	25¼	+ ¼
Pentair .60	14 253	22½	21⅝	22½	+1¼
Penwts	10 82	16½	15¼	16⅞	+1¼
PeoBnC 1	37 61	54¼	50⅛	54	+2¼
PeopHrt.33e	7 x1480	13½	12¼	13⅛	+ ⅛
PeoWst	7 104	17⅜	17	17⅜	+ ⅛
PerpSs	7 795	9¾	9¼	9⅝	− ⅛
Petrite 1.12	17 333	23¼	22¼	22¼	−1
Phrmct	1395	2¼	2	2⅛	+ ⅛
Phrmcl.15e	24 229	19	18½	19	− ⅛
PicSavs	12 1152	12⅞	12⅜	12⅜	
PicCafe .48	15 84	15	14¾	15	
PionHl 1.04	16 264	26¾	26½	26½	− ⅛
PlcyMg	19 3876	18¾	17¾	18¾	+1
PoughSv.20e	6 128	13⅛	12¾	13⅛	+ ¼
PrecCst .08	15 319	30¼	29	29¾	− ¼
PresLfs .08	15 757	11¼	10½	11	+ ⅛
PrsmCp .50	27 113	8¾	8½	8¾	
Prism	2767	1⅞	1½	1¾	+ ⅛
PnceCo	21 2401	32¼	30½	32	+1
PnceTR	11 255	23	21	21¾	+ ⅛
PrimvD .16b	111 11	8⅞	8½	8⅞	
ProsGp	108	7¼	6½	7¼	
ProtLfe .70	10 1022	13⅞	12¾	13⅜	+ ⅞
PrvLfe .84	6 146	15⅞	15⅜	15⅞	+ ⅝
PgSdBc .80	10 421	18¾	17½	18¾	+1
PultzPb .40	24 45	35	33	33⅛	−1⅞
PuritBs .11	20 1203	19	17¼	19	+1¾
PymrT	54 156	7¼	7	7	− ⅛
QMeds	17 383	5⅛	4⅞	5	+ ⅛
QVC	1871	6⅝	5⅝	6⅛	+ ⅛
Quadrx	18	5⅞	5⅝	5⅝	− ¼
QuakCh .50	12 55	17½	17	17¼	
Quantm	22 1280	10½	9¾	9¾	− ½
Quiksilv	14 260	9½	9⅛	9⅜	+ ¼
Qunde	709	6⅝	6⅛	6¼	
R R					
RPM .84	15 732	18	17¼	17¼	− ¾
RadSys.05e	17 510	9¼	8½	9¼	+ ½
Reeves	13 776	5¼	5	5⅛	
RgcyCr	6 1862	1⅜	1½	1 11-16	+ ⅛
RgcyEl .20	24 789	3⅞	3⅝	3⅝	
Reginas	15 197	15	14	14¼	− ¼
RegiBc .08e	9 28	11¾	11¼	11¼	
Replgn	680	9½	8½	9¼	+ ¾
RepAm.28e	11 262	14⅛	14	14⅛	− ⅛
ReutrH .96e	2759	51½	49½	51½	+2¼
Rexon	10 1373	5⅛	d 5⅛	5¼	− ⅛
RayRy .76	10 687	20¼	19¼	19¾	+ ¼
RhonPl	23	26⅛	26⅛	26⅛	− ⅛
Ribllm	1228	5¼	4⅝	5⅛	+ ⅜
RchmHl.05e	408	12⅛	11¼	11⅞	+ ¼
RiggsNt1.10	25 117	22¼	21⅞	22¼	+1
RoadSv1.10	20 2530	29⅛	26⅝	29½	+2¾
RochCS.08e	434	9¾	9¼	9⅝	+ ½
RgrCbA	237	17½	17	17	− ¼
RsvltFd	79	9⅛	8¾	9⅛	+ ¼
Rospch.15j	8	18½	17¾	18½	
RossStr	1128	4¾	4⅜	4⅝	
Rouses .47	61 1554	20	18¼	19½	+1¼
RoyGld .80	687	6¼	5⅞	6⅛	− ¼
Roylprs	2342	4⅜	3⅞	4	− ⅜
RyanFs	28 1997	8⅞	8½	8¾	
S S					
SCI Sys	18 1736	13½	12⅝	13½	+1
SCORU	9 241	7¾	6½	7¾	+ ¼
SEIs	23 278	14½	13¾	13¾	− ½
SHL Sys	915	15	14⅝	14⅝	− ⅛
SKFAB1.47e	279	42¼	d41¾	42¼	−2
SPIPh .07	27	9	7½	7½	−1½
Satchls .86e	1981	19⅛	18½	18⅞	+ ¼
Safecds .16j	8 4835	7⅜	6⅝	7⅜	+ ¾
Safecos .96	8 1289	32	29¾	32	+2¼
SageSft	15 865	7¼	6¾	7¼	+ ⅛
StJude	14 786	21¾	20¾	21½	+ ½
StPaulB.05e	180	10½	10⅛	10⅛	
StPauls1.76	8 3426	51	47¾	51	+3¼
Salick	16 107	8⅞	8⅝	8⅞	+ ¼
SFFdl	5 48	14¾	14⅛	14⅛	− ¼
Santrds	15 166	25¾	24¾	25¼	+1¼
Scherer .36	14 52	13¼	12¾	13	+ ¼
SchlAs .40a	14 189	31¾	28½	31¾	+3¼
Scimds	46 87	8¼	7½	8¼	+ ¼
SciMic	17 251	5⅝	5	5⅛	+ ⅛
ScotCb	151	22¼	21	22¼	+1½
Seagate	5 12865	13⅛	12¼	13	+ ¼
Seairgt .16	13 24	20	19¼	19¼	− ¾
SeamF	16 416	15¾	13¾	15¼	+1
SEEQs	28 380	5⅝	5¼	5½	+ ¼
Seibel .80	7 46	12¼	11¾	12	+ ¼
Selctins1.08	7 37	22	21¾	22	+ ¼
Sensor .05	19 699	9½	9⅛	9¼	
Sequent	271	11⅝	11¼	11½	+ ⅛
SvcMer .08	2345	4⅛	4	4	
SvOak .16	13 157	10¼	10	10	− ¼
ShrMed .72	11 1201	21½	21¼	21½	
Shwmt 2.04	13 422	35¼	34⅝	35	+ ⅝
Shoney .16	28 1200	20⅞	19⅞	20¼	− ½
ShonSo	9 15	7⅜	7¼	7¼	
Shrwds	14 261	9¾	9	9⅜	− ⅜
SigmAl .28	22 847	35	34	34	−1
SigmDs	14 1112	13	11⅝	12¼	− ⅜
SlicnGr	27 900	15	14	15	+1¼
SliconS	16 385	7⅝	7¼	7⅜	− ⅛
SilicVls	20 825	7	6¼	6½	− ½
Silicnx	18 1510	5⅞	5½	5¾	+ ¼
SlvStMn	29 1420	1⅜	1½	1¾	+ ¼
SimAir	7 556	8	6⅞	8	+1
Sizler	17 198	14	13¼	13¾	
SmthF	10 145	16½	15¾	16⅛	+ ⅛
Society s1.20	8 88	29¼	28½	29	
SoctySv .38	6 103	16	14¾	15¼	+ ½
SoftwA	13 115	10⅛	9⅝	10	+ ¼
StwPb	11 343	7¾	7⅛	7½	− ⅜
SonocPs.52	15 433	22¼	21¼	22¼	+ ¾
Sonora	858	5⅜	5⅛	5¼	+ ¼
SCarNt .56	9 543	20⅝	19⅛	20⅝	+1½
Sounet	458 54	13¾	13¼	13¾	+ ½
SohldSw	1664	12⅝	11⅝	12⅜	+1
Souest .80	7 298	17½	17¼	17½	
Sovran 1.44	11 961	30¼	29⅞	30	
Sparton	110	6	5½	6	+ ½
Standy 1.20	10 145	31½	29⅝	31½	
StdMic	2044	6⅛	6	6⅛	
StdRegs .44	15 526	20¼	19½	19½	− ⅛
StrptSv1.43t	110	11½	10⅝	11	− ½
StateSts .44	10 1445	22⅞	22⅛	22½	+ ⅛
StwBcs .60	13 100	21½	21	21¼	
StewStv	13 33	15½	15	15¼	+ ¼
Stwinf .76	8 156	13½	13	13½	+ ⅜
Stratus	25 785	21½	20½	21	− ¼
StrwbCl .98	10 80	30	28	29	+1
Strykrs	22 273	17¼	16½	17¼	+ ¾
StudLvt	10	61	61	61	+ ¼
Subaru .36	54 2625	7½	6⅞	7½	+ ½
SuffFin .20	14 310	8⅝	7¾	8½	+ ¼
SumitB.72b	12 209	23½	23	23½	
SunGrd	19 479	13¼	11¾	13¼	+1½
SunMic	27 7942	34	32½	33¾	
Sunwsts 1a	8 66	26¾	25¾	26	− ¼
SymbT	28 739	29⅝	28	29	+ ¾
Symblic	1626	2⅛	1 11-16	2⅛	+ ⅜
Systin	8 238	8	7⅞	8	+ ⅞
Systmg	15 314	5⅜	4⅝	5⅛	+ ⅛
SySoftw	970	9⅝	9	9⅝	+ ⅜
Systmt .12	21 157	20½	19¾	20½	+ ⅝
T T					
TBCs	10 404	9⅝	9⅛	9⅝	+ ⅜
TCA .24	46 351	22	21½	22	− ½
TCBY	21 682	10	9⅝	9¾	+ ⅛
TCF	12 665	8	7⅝	7⅞	
TMK .20e	9 140	7⅞	7⅝	7⅞	+ ⅜
TPI En	1474	4⅝	4⅜	4½	
TS Inds	27 481	8¼	8	8	−1¼
TSO	5 391	7¼	6¾	7¼	
Talman	167	7⅝	7⅜	7½	
Tandon	2 4193	2 13-16	2⅝	2¾	+ ½
TchDtas	14 303	10¼	9⅝	9¾	+ ⅛
Teknwd	127 519	9¼	7⅞	8⅞	+1½
TlcmAs	40 7869	22⅜	21	21⅞	− ½
TlCmwt	19	46¼	44½	44½	−2¼
Telcrds .24	32 451	33	31¾	32	− ¼
Telmatc	30 1921	8¾	7⅝	8⅝	+1
Telabs	18 493	12½	11⅝	12½	+ ⅞
Telxon .01e	15 718	15⅞	15	15	
Tennant .96	11 31	16½	16	16½	+ ½
Teradta	55 426	11	10½	11	
3Com	27 2426	20	18	19⅞	+1⅜
TokioFs.19t	79 352	70½	69½	69½	+2½
Topps .37	452	19½	18	19¼	+1⅜
TrakAus	19 286	17	16¼	16¾	+ ¼
TriStar	18 1908	10¼	9⅞	10⅛	+ ⅞
TriadSy	13 244	9⅛	8¾	9	+ ½
Trimed	326	11¼	10¾	11	− ¼
Tsrtcp 1.28	9 20	25¼	24⅝	24¾	− ¼
20Cain .32	12 394	18¾	18⅛	18⅜	
TycoTy	6 948	9⅞	9¼	9⅜	+ ⅛
Tysons .04	17 578	17½	16⅞	17⅛	+ ⅛
U U					
USTs .48	12 46	21¾	21	21¾	− ¼
UTL	11 819	8	7⅝	7¾	− ⅜
Ungmn	22 818	7⅝	7	7⅝	+ ⅜
Unifi	9 655	14⅜	13⅝	14⅜	+ ¾
UnPlntr .60	38 x248	23¾	21¾	23	+1
UACm .04	154 512	18¾	18	18½	+ ¼
UBCol .64	27 73	17	16⅞	16⅞	
UHltCr	11 535	4	3⅞	4	
UldSvrs .72	4 271	14	13½	13½	+ ¼
USBcp .80	8 395	22⅛	21½	22	+ ⅜
US HltC .16	8 2915	5⅞	5⅝	5⅝	− ⅛
US Sur .40	17 330	24¾	23¾	24¼	+ ½
US Trs 1	10 110	32¼	31½	32	+ ¼
UStatn .28	15 24	14¾	14¼	14¾	
UnTelev	59 75	20	19½	20	
UnvFrs.09e	11 x141	13	12¼	12½	− ¼
UnvHR .33e	42 800	4⅝	4¼	4⅝	+ ⅛
UnvMed .30	9 x274	4 7-16	4¼	4 5-16	− ⅛
V V					
VBand	15 312	18¼	17	18	
VLI	182	4¾	4½	4⅝	+ ¼
VLSI	71 2188	10⅞	9⅞	10	− ¾
VM Sftw	18 533	10	9½	10	+ ⅜
VWR .80	7 4	18¾	18¾	18¾	
ValidLg	189 1441	3⅝	3¼	3⅝	+ ⅛
ValNtl 1.44	53 345	30⅛	d29⅞	29⅞	− ⅛
VanGld	720	5¾	4⅝	5½	+ ⅞
Veronxg	272	6½	6⅝	6½	+ ¼
Vicorp	294	7⅛	6⅝	7⅛	+ ¼
ViewMs	17 439	6⅝	6¼	6⅝	− ⅛
Viking	17 442	14½	12¾	13¾	+ ¾
Vipont	68 315	18¼	17	17¼	− ¾
Viratek	888	16¼	15¼	16¼	+ ¾
Volvo 1.24e	101	50	49⅝	49½	− ⅝
W W					
WD 40 1.32a	17 74	25¾	25	25¼	− ¼
WTD	13 378	12½	12	12	− ½
Walbro .40	8 828	18	17¼	18	+ ¼
WashEs1.28	19 124	15¾	15¼	15⅝	− ¼
WFSLs .80	6 1228	23	22¼	22¾	+ ¼
WMSBs .40	3 862	17¼	16⅜	17⅛	+ ⅜
WatrlGl.44e	10 85	13⅝	13⅛	13⅜	+ ⅛
Watsind.56	12 129	15¼	14½	15¼	+ ¾
WausP .48	9 72	24	23½	23½	− ¼
WbstFn.05e	31	8⅝	8¼	8¼	− ¼
Welbilt	9 87	14¼	13	13⅛	+ ⅛
Wellmn	425	19½	18	19¼	+ ¾
Werner .04e	14 150	12¾	12¼	12¾	+ ¼
WstAut	19 927	8¼	7⅝	7¾	+ ⅛
WstCap	8 583	13⅛	12½	12½	− ⅜
WstFSL.10e	32 64	34¼	33¼	33¾	
WnWste	17 17	16¼	15⅞	16¼	+ ½
WstnPb	15 182	12⅛	11⅞	12	+ ⅛
WTIA	10 65	12½	11⅞	12	
Wstmrk	2629	14¼	13⅛	14¼	+ ¾
WmorC .60	11 363	17¾	14¾	17¾	+2¾
WetwOs	24 1947	19¼	17¼	18¼	−1
Wettras	13 1390	20⅞	18¼	20	
WhelTch	805	19	17⅞	19	+1
Willamt1.08	9 787	38	36½	38	+1¼
WillAL	10 1084	15⅜	14½	15⅛	
WillSFS .05e	437	9¾	9½	9¾	+ ½
WilmTs .84	10 665	22½	21⅞	22¼	− ¼
WilsnF	19 1366	7⅝	7½	7⅝	+ ⅛
Windmr	15 487	10	9⅛	9⅝	− ⅛
WiserO .40	102 142	15½	15¼	15¼	− ½
Wolohn .20	8 414	11½	10¼	11¼	+ ½
WCYS .20e	331	10⅞	10⅝	10⅝	+ ⅛
WOW	3023	3¼	2⅞	3	− ¼
Worthg .40	18 3118	15⅞	15⅜	15⅞	+ ⅛
Wyman .60	264	14⅝	14⅛	14⅜	
Wyse	15 4958	24½	24	24⅜	− ⅛
X Y Z					
XOMA	1558	13⅜	11½	13⅛	+1⅛
Xicor	125 1261	9	8¼	8¾	− ¼
Xidex	3799	8⅛	7¼	8	+ ½
Xylogic	9 941	8⅝	8	8⅜	+ ⅛
Xyvan	30 1100	11½	9¼	11½	+2¼
YlowFs .82	21 2449	30⅝	28⅞	30	+1¼
Zondvn	460	10	9⅝	9⅝	− ¼
Zycad	437	4	3⅞	3⅞	− ⅛

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Sales	Stock	High	Low	Close	Chng
10959	AMCA Int	$9⅞	9½	9¾	− ⅛
118855	Abitibi Pr	$24	22¾	23⅞	+ ⅜
37250	Agnico E	$24⅞	22	24⅞	+4⅛
59876	Albrta En	$18	17¼	18	+ ¾
3189	Albrta N	$11½	11	11½	+ ½
347258	Alcan	$34⅝	32¼	34¼	+1
20873	Algoma St	$15¾	15¼	15¼	− ¼
55540	Asamera	$9	8⅛	8¾	+ ⅝
6765	Atco I f	$9½	9⅛	9½	+ ½
31410	Bk BCol	61	59	61	+1
2600	BC Sugar A	$23½	23	23	
7250	BGR A	$10⅞	10½	10⅝	+ ¼
10723	BP Canada	$17¾	17	17⅛	− ¾
30700	Banister C	$9	9	9	+ ⅜
78147	Bk Montl	$26⅝	26⅛	26⅝	− ¼
72905	Bk NScot	$13⅜	12¾	13¼	+ ½
109739	Bell Can	$37¼	36¾	37	
94648	Bow Valy	$14⅝	14¼	14½	+ ⅛
13800	Bralorne	166	165	166	+1
700	Bramalea	$19½	19	19	−1
40930	Brascan A	$26½	26	26⅝	+ ⅜
50087	Brkwater	$5¼	5	5⅛	[illegible]
1500	Brenda M	$11½	11⅜	11½	+ ⅜
25079	BC ForP	$16⅞	16½	16⅝	+ ⅛
9205	BC Res	94	90	90	−4
17575	BC Phone	$25¼	24¾	25⅛	+ ¼
1900	Brunswk	$11⅜	11¼	11⅜	+ ⅛
85830	CAE	$8¼	8	8¼	+ ½
18175	CCL B f	$8	7¾	7¾	+ ⅛
2056	CIL	$26⅝	26⅝	26⅝	+ ⅛
300	Cad Frv	$33¾	33⅝	33¾	
1680	Cambridg	$20⅞	20½	20½	
7673	Camp Res	208	195	205	+10
2139	Camp Soup	$17¼	17¼	17¼	+ ¾
117250	Campeau f	$15⅝	15⅛	15⅜	+ ⅜
240	CCam ex p	$14½	14½	14½	+ ½
271035	CDC f	$9⅞	9⅛	9⅜	
100	Can Malt	$20⅞	20⅞	20⅞	+ ⅛
16700	C Nor West	$18½	18	18½	+ ⅜
5400	C Packrs	$13⅝	12⅞	13⅝	+ ½
1800	CS Pete f	241	241	241	−4
575	Can Trust	$62	62	62	+2
2200	CG Invest	$35½	35	35½	+ ½
98991	Cl Bk Com	$18¼	17⅝	18⅛	+ ¼
2100	C Marconi	$14¾	14½	14⅝	+ ¼
32603	C Occdntal	$18⅞	18½	18⅝	
578855	CP Ltd	$23¼	22⅛	23	+ ⅜
58719	CTire A f	$12½	12⅛	12¼	+ ⅛
7318	CUtil A f	$18¾	18½	18¾	+ ¼
100	CUtil B	$18½	18½	18½	
82485	Canlor	$23	21	21½	+1
2225	Cara	$9⅞	9¾	9¾	+ ¼
37775	Cara A f	$9½	9	9	− ½
107130	Carma A	22	19	21½	
25950	Celanese	$18½	17½	18½	+1
3600	CenFd A	$7⅞	7⅛	7⅛	− ⅛
925	Centrl Tr	$16⅛	16⅛	16⅛	
1400	Chieftan	$9⅞	9⅝	9⅝	− ¼
100	CHUM B f	$14⅜	14⅜	14⅜	− ⅛
78563	Cominco	$14⅜	13¾	14¼	+ ⅛
6400	Computlog	$5½	5⅛	5⅛	− ⅜
6275	Comput In	210	205	205	−5
51384	Con Bath A	$15⅞	15½	15¾	+ ½
6300	CDistb B f	$5¼	5¼	5¼	+ ⅛
600	Cons Gas	$24	23⅝	23⅝	− ⅛
1200	Con Glass	$18½	18½	18½	
1000	CTL Bank	320	310	310	−10
57600	Conwst B	$12¼	11	11¾	+ ¾
400	Corby	$16½	16⅝	16½	
200	Costain Ltd	$8½	8½	8½	+ ½
25094	Coseka R	64	60	62	+1
12300	Crownx	$11¾	11	11⅝	+ ⅝
30014	Crownx A f	$5¼	5¼	5⅜	+ ¼
10500	Czar Res	140	135	140	+5
12664	Denison A p	$5⅝	5¼	5⅝	− ⅛
7860	Denison B f	$5⅜	5	5	
1350	Develcon	300	300	300	+20
9057	Dicknsn A f	$9¼	8⅝	9¼	+ ¾
1257	Dicknsn B	$12	11¾	11¾	+ ¼
41356	Dofasco	$22¾	21⅞	22½	+ ⅜
141390	Dome Pete	90	83	87	+2
1909	D Textle	$15½	15¼	15¼	− ½
69912	Domtar	$14⅝	13⅝	14⅝	+1⅛
600	Donohue	$29½	29½	29½	+1
550	Du Pont A	$25½	24½	24½	
32880	Dylex A	$8¾	8	8¾	+ ¾
90000	Echo Bay	$26⅞	25⅞	26⅞	+1⅞
4300	Emco	$12½	12⅜	12½	+ ¼
2104	FCA Intl	$11⅜	10¾	11⅜	+ ⅞
292865	Fcnbrdg	$20⅛	18⅝	20	+1¼
26382	Fed Ind A	$13¼	12⅝	13¼	+ ⅝
2000	Fed Pion	$9	9	9	
50	FCity Fin	$14	14	14	
20	Ford Cnda	$138¼	138¼	138¼	
19330	Gandalf	$7⅜	7⅛	7⅛	− ⅜
2500	Geac Comp	160	160	160	−5
860	Gendis A	$13½	13⅜	13½	+ ⅛
1700	Giant Yk	$21¾	21½	21¾	+1
5900	Gibrltar	$9	8¾	9	+ ¼
14150	Goldcorp f	$8⅝	7½	8⅝	+ ¾
29122	GL Forest	$41	40½	40½	− ½
450	Greyhnd	$19¾	19½	19¾	+ ½
500	Hawker	$19½	19½	19½	
1600	Hayes D	$10¼	10¼	10¼	+ ⅛
12970	Hees Intl	$19⅝	19¼	19¼	+ ½
2428	H Baymn s	$8½	8¼	8½	+ ⅛
11250	H Bay Co	$19¼	19	19	
82544	Imasco	$27½	26⅝	27½	+ ½
46395	Imp Oil A	$63⅞	63	63¼	+ ¼
225068	Inco	$22¼	20¼	22	+1¼
500	Indal	$9½	9¼	9¼	− ¼
2524	Inland Gas	$11½	11⅜	11⅜	+ ⅛
1300	Innopac	$9⅛	9	9	− ⅛
8070	Inter City	$14⅛	14	14⅛	− ⅛
38379	Intl Thom	$10½	10¼	10⅜	
735	Intpr Pipe	$42	41⅞	41⅞	+ ¼
600	Ipsco	$10⅛	10	10	
5134	Ivaco A f	$11¾	11⅝	11⅝	
28880	Jannock	$17¼	16½	16⅞	+ ½
12265	Kerr Add	$18⅞	18½	18½	
804	Kiena Gld	$15	14⅝	15	+ ⅜
15623	Labatt	$23⅝	23	23½	+ ¾
279672	LL Lac	$11⅜	11	11¼	+ ½
35840	Lacana	$14⅛	13½	14⅛	+ ⅞
98144	Laidlaw A	$17⅛	16¾	16⅞	+ ⅛
111690	Laidlw B f	$16⅝	16⅛	16½	+ ⅜
27725	Leigh Inst	420	405	415	+15
10100	Loblaw Co	$12¼	11⅞	12	
3375	Lumonics	$6⅝	6⅜	6⅝	+ ⅜
3600	MICC	$10¼	10	10¼	+ ¼
7500	MSR Ex	250	250	250	
38804	Mclan H X	$19	18½	18½	− ¼
1332	Mcln HY f	$17½	17¼	17½	+ ½
127583	Macmilan	$18¾	18¼	18⅝	+ ⅛
65559	Magna A f	$12⅛	11¾	12⅛	+ ⅜
6247	Maritime f	$14½	14¼	14⅜	− ⅛
100	Mc Intyre	$38	38	38	+4
9250	Minrl Res	300	295	295	+25
108500	Mitel Corp	375	365	375	−5
4863	Molson A f	$20½	20⅛	20½	+ ½
2172	M Trusco	$12¼	12¼	12¼	− ¼
55312	Moore	$26⅛	25¼	26⅛	+1
79895	Nat Bk Can	$11	10⅝	10⅞	+ ¼
500	Nt Vg Trco	$17½	17¼	17¼	+ ¼
2500	Nfl CapA f	$8½	8⅛	8¼	+ ¼
600	Nfld LP A	$18½	18⅛	18⅛	− ⅛
539583	Noranda	$22¾	21⅝	22⅝	+ ⅞
18062	Norcen	$19⅝	19	19⅝	+ ¼
27840	Norcn ord f	$17½	17	17⅜	+ ⅜
28340	NC Oils	$18¾	18¼	18½	
155585	Nor Tel	$23¾	22⅝	23½	+ ½
15800	Northgat	$7¼	6¾	6⅞	+ ½
9650	Nowsco W	$15½	14½	14¾	− ⅞
144757	Nu West	29	27	27	−2
2200	Numac	$8¾	8¾	8¾	− ¼
100	Oakwood	275	275	275	−25
24300	Oakwd A f	200	195	200	
72900	Ocelot B f	$5¼	455	5¼	+50
500	Omega Hyd	$6¾	6¾	6¾	
15000	Oshawa A f	$19½	19⅛	19½	+ ⅛
148399	PacW Airl	$18	17¼	18	+1
47978	Pgurin A f	$8¼	8	8	+ ¼
300	Pamour	$10	10	10	− ¼
6704	PanCan P	$24⅞	24¾	24¾	+ ¼
79480	Pegasus	$19¼	18⅝	19⅛	+ ⅞
1400	PJewl A f	$8	8	8	+ ½
2500	Pine Point	$12⅝	12⅝	12⅝	+ ⅛
103512	Poco Pet	$12⅝	11¾	12⅝	+ ⅝
59825	Powr Cor f	$12¾	12⅜	12¾	+ ¼
6450	Provigo	$9½	8¾	9	+ ½
8850	Que Sturg	400	380	385	+10
330	Que Tel	$12¾	12¾	12¾	
55800	Ranger	$5⅝	5⅛	5¼	
2400	Rayrock f	$9	8¼	9	+ ⅝
5700	Redpath	$8¾	8¾	8¾	
10100	Regionl R	200	175	200	+30
100	Reitman A f	$16¼	16¼	16¼	− ¼
48349	Renaissance	$12⅞	12½	12½	
49810	Repap f	$10¾	10½	10¾	
5625	Rio Algom	$18	17½	18	+ ½
2100	Rogers A	$19½	19	19½	+ ¾
10605	Rogers B f	$18¾	18	18¾	+ ⅞
3658	Roman	$10¼	9¾	10¼	+ ½
89352	Royal Bnk	$28	27⅝	27¾	
10852	RyTrco A	$14⅛	14	14	
127967	Royex	$8	5¼	6	+ ¼
11783	SHL Syst	$20	19	19½	− ½
6944	StL CamA f	$12½	12	12¼	+ ⅝
7298	Sceptre	375	365	365	
4880	Scot Paper	$18	15½	16	+ ¾
52790	Scotts f	$10¼	9⅞	10	− ⅛
65950	Seagram	$78½	75¼	78¼	+1¾
81000	Sears Can	$8⅝	8⅜	8½	
540	Selkirk A f	$21¾	21	21¾	− ¼
22907	Shell Can	$36¼	35	36¼	+1¼
3700	Sherritt	$5⅝	5½	5½	
16985	Southm	$17¾	17	17¼	− ½
5402	Spar Aero f	$14⅝	14¼	14½	+ ⅛
201	Steinbg A f	$32½	32½	32½	+ ¼
373123	Stelco A	$20¾	19¾	20	− ⅜
27707	Teck B f	$33⅜	32¼	33¼	+1½
1	Tele Met	$21½	21½	21½	
9463	Terra Mn	125	120	125	+10
14151	Texaco Can	$28	27⅝	27⅝	− ½
50091	Thom N A	$26	25	26	+ ½
93587	Tor Dm Bk	$25⅜	25	25	− ⅛
401	Tor Sun	$18¾	18¾	18¾	
8351	Torstar B f	$25¼	24¾	25	+ ⅛
6201	Total Pet	$19½	19¼	19¼	+ ⅛
301	Trns Mt	$13	13	13	− ½
52150	TrnAlta UA	$26¾	26⅜	26⅜	− ⅛
86879	TrCan PL	$16½	15¾	16⅜	+ ⅜
2801	Trilon A	$18½	18¼	18¼	− ¼
11600	Trimac	370	330	370	+40
12500	Trinity Res	67	65	67	−4
2115	Trizec A f	$23¾	23¼	23½	− ¼
3250	Trizec B	$25	24½	25	− ½
57900	Ulster P	225	215	215	+5
1301	Un Carbid	$14⅜	14	14	
24948	U Entprise	$8⅞	8¾	8⅞	+ ⅛
2220	U Canso	67	65	67	+5
1	Un Corp	$40⅛	40⅛	40⅛	
8901	Vulcan Ind	200	192	195	+5
3336	Walax A	$12	11½	12	
16601	Wcoast T	$14¾	14¼	14½	
2701	Westmin	$9⅛	9	9⅛	+ ⅜
6843	Weston	$32½	31¼	32½	+1½
3783	Woodwd A	$5⅝	5½	5⅝	+ ⅛

F—No voting rights or restricted voting rights.

MONTREAL

Closing prices November 2

Sales	Stock	High	Low	Close	Chng
21530	Bank Mont	$26½	26⅛	26½	
3500	BombrdrA	$8	8½	8½	− ¼
116354	BombrdrB	$8	8½	8¾	+ ⅛
104	CB Pak	$13⅜	13⅜	13⅜	− ⅛
64600	Cascades	$9¾	9¼	9¾	+ ½
575	CIL	$26⅞	26⅞	26⅞	+ ⅜
3454	ConBath	$15⅞	15½	15⅝	+ ⅝
2208	DomTxtA	$15½	15½	15½	− ¼
184	MntTrst	$12¼	12¼	12¼	
43301	NatBk Cda	$11	10⅝	11	+ ¼
13335	Noverco	$10¾	10½	10¾	+ ⅛
63056	Power Corp	$12¾	12⅜	12¾	+ ¼
9399	Provigo	$9¼	8⅝	9	+ ⅜
76104	Repap Entr	$10¾	10½	10¾	
28844	Royal Bank	$28	27⅝	27⅞	+ ⅜
15004	Videotron	$11½	11⅛	11½	+ ½

Total Sales 4,576,857 shares

Indices

NEW YORK—DOW JONES

	Nov 2	Oct 30	Oct 29	Oct 28	Oct 27	Oct 26	1986/87 High	1986/87 Low	Since Compilation High	Since Compilation Low
Industrials	2,014.08	1,993.53	1,938.33	1,846.82	1,846.49	1,793.93	2722.42 (25/8/87)	1738.42 (19/10/87)	2722.42 (25/8/87)	41.22 (2/7/32)
Transport	784.38	757.24	725.50	685.59	689.15	674.92	1101.16 (14/8)	674.92 (26/10)	1101.16 (14/8)	12.32 (8/7/32)
Utilities	185.87	182.56	182.55	178.28	178.11	178.21	227.83 (22/1/87)	169.88 (19/10/87)	227.83 (8/4/87)	10.5 (8/4/32)
Trading vol	—	308.55m	258.14m	279.410m	260.220m	308.820m	—	—	—	—

	Oct 23	Oct 16	Oct 9	Year Ago (Approx)
Ind Div Yield %	(u)	3.07	2.78	3.74

STANDARD AND POORS

	Nov 2	Oct 30	Oct 29	Oct 28	Oct 27	Oct 26	1987 High	1987 Low	Since Compilation High	Since Compilation Low
Industrials	282.15*	283.87	278.70	265.48	264.59	257.35	393.17 (25/8)	257.81 (26/10)	393.17 (25/8)	3.62 (21/6/32)
Composite	254.66*	255.75	244.77	233.28	233.19	227.67	336.77 (25/8)	224.88 (19/10)	336.77 (25/8)	4.40 (1/6/32)

	Oct 28	Oct 21	Oct 14	Year Ago (Approx)
Ind div yield %	3.31	2.97	2.48	3.04
Ind. P/E Ratio	16.30	18.25	21.77	17.24
Long Gov Bond Yield	8.86	8.22	9.81	8.89

N.Y.S.E. ALL COMMON

Nov 2	Oct 30	Oct 29	Oct 28	1987 High	1987 Low
142.74	140.80	136.28	130.31	187.99 (25/8)	127.98 (28/10)

RISES AND FALLS

	Oct 30	Oct 29	Oct 28
Issues traded	2,004	(u)	2,011
Rises	1,605	(u)	585
Falls	223	(u)	1,148
Unchanged	176	(u)	278

TORONTO

	Nov 2	Nov 1	Oct 29	Oct 28	1987 High	1987 Low
Metals & Minls	2,424.0*	2,437.5	2,190.2	2,184.1	3,587.5 (5/10/87)	1,988.2 (2/1/86)
Composite	3,080.4*	3,088.8	2,872.4	2,837.8*	4,112.9 (13/8)	2,846.5 (26/10)
MONTREAL Portfolio	1,568.84*	1,578.85	1,478.73	1,432.89	2,224.77 (12/12)	1,435.94 (26/10)

* Indicates pre-close figure

	Nov. 2	Oct. 30	Oct. 29	Oct. 28	1987 High	1987 Low
AUSTRALIA All Ordinaries (1/1/80)	1360.8	1294.0	1284.8	1389.2	2305.9 (21/9)	1284.8 (29/10)
Metals & Minerals (1/1/80)	739.2	764.4	702.5	766.1	1462.4 (14/10)	702.5 (29/10)
AUSTRIA Credit Aktien (30/12/84)	193.89	191.06	188.76	193.97	232.19 (22/9)	182.21 (19/6)
BELGIUM Brussels SE (1/1/84)	(c)	3527.50	3739.2	3992.3	5412.2 (13/8)	3527.5 (30/10)
DENMARK Copenhagen SE (3/1/83)	(u)	185.22	182.40	186.05	219.76 (27/8)	182.40 (29/10)
FINLAND Unitas General (1975)	592.0	591.0	602.0	611.5	679.1 (15/10)	425.2 (5/1)
FRANCE CAC General (31/12/82)	(c)	311.40	293.6	298.7	460.4 (26/3)	299.6 (29/10)
Ind. Tendance (31/12/86)	(c)	80.40	76.3	73.0	117.2 (26/3)	76.3 (29/10)
GERMANY FAZ Aktien (31/12/58)	490.30	497.05	468.21	488.98	676.84 (6/1)	468.21 (29/10)
Commerzbank (1/12/53)	1505.3	1526.8	1427.1	1496.9	2061.1 (17/8)	1427.1 (29/10)
HONG KONG Hang Seng Bank (31/7/64)	2203.23	2240.13	2284.52	2370.16	3949.73 (1/10)	2203.23 (29/10)
ITALY Banca Com. Ital. (1972)	535.92	543.56	520.11	541.20	767.34 (30/4)	520.11 (29/10)
JAPAN Nikkei (16/5/49)	23358.60	22765.04	22083.89	22577.53	26646.43 (14/10)	18544.00 (13/1)
Tokyo SE New (4/1/68)	1914.87	1867.18	1802.77	1841.30	2258.56 (11/6)	1557.46 (13/1)
NETHERLANDS ANP-CBS General (1970)	230.5	234.3	224.1	221.7	334.1 (14/8)	221.7 (28/10)
ANP-CBS Industrial (1970)	184.4	185.6	179.0	179.8	280.8 (11/8)	179.0 (29/10)
NORWAY Oslo SE (4/1/83)	398.62	390.46	369.02	399.85	592.04 (21/9)	361.98 (2/1)
SINGAPORE Straits Times Ind. (30/12/66)	872.3	826.6	781.5	872.9	1505.4 (26/8)	781.5 (29/10)
SOUTH AFRICA JSE Gold (28/9/78)	(u)	1820.0	1824.0	1907.0	2499.0 (3/8)	1786.0 (19/3)
JSE Industrial (28/9/78)	(u)	1700.0	1726.0	1763.0	2266.0 (16/10)	1423.0 (2/1)
SPAIN Madrid SE (30/12/85)	238.68	222.68	212.35	234.06	325.44 (6/10)	202.89 (8/5)
SWEDEN Jacobson & P. (31/12/56)	2492.6	2505.20	2300.9	2508.7	3550.4 (9/10)	2111.4 (28/1)
SWITZERLAND Swiss Bank Ind. (31/12/58)	543.4	536.10	510.9	515.0	729.7 (5/10)	510.9 (29/10)
WORLD M.S. Capital Intl. (1/1/70)	(u)	400.9	385.7	383.0	495.9 (27/8)	361.3 (2/1)

** Saturday October 31: Japan Nikkei 23328.91 . TSE 1917.42

Base values of all indices are 100 except Brussels SE — 1,000 JSE Gold — 255.7 JSE Industrials — 264.3 and Australia, All Ordinary and Metals — 500; NYSE All Common — 50; Standard and Poor's — 10; and Toronto Composite and Metals — 1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials plus 40 utilities, 40 Financials and 20 transports. (c) Closed.(u) Unavailable.

NEW YORK ACTIVE STOCKS

Friday	Stocks traded	Closing price	Change on day
Tenneco	7,973,000	44⅝	+ 1⅞
AT&T	3,663,600	29⅞	+ ½
Union Carb	3,423,000	21½	+ 2⅞
Gen Elec	2,773,900	47⅞	+ 1⅝
Amer Expr	2,541,600	24⅞	+ ½
Chase man	2,333,600	27½	+ ⅞
P Svc Nm	2,267,400	24⅝	+ ⅝
IBM	2,255,800	122½	+ 2¼
Exxon	2,233,700	42⅝	+ 1⅜
USX Corp	2,175,900	27½	+ 1⅝

LONDON — Most Active Stocks
Monday, November 2, 1987

	Stocks Traded	Closing Price	Change on Day
BP	12.9m	257	−10
Brit Gas	10.9m	148	−6
British Telecom	8.4m	228	−9
GEC	8.2m	186	+6
Plessey	6.3m	149	−4
Racal	5.9m	214	+4
Hanson Trust	5.8m	135	−2
Grand Met	5.2m	—	—
Boots	4.6m	239	−13
Tesco	4.6m	—	—

We Regret That Some Figures Appeared Incorrectly Yesterday.

TOKYO — Most Active Stocks
Thursday, October 29, 1987

	Stocks Traded	Closing Prices	Change on Day
Kawasaki Steel	68.784m	354	−1
Nippon Kokan	56.880m	358	+6
Nippon Steel	54.184m	441	−1
Ishikawajima-H. Ind	27.487m	848	+32
Tokyo Steel	18.345m	3,420	+160
Hazama-Gumi	16.798m	789	+43
Mitsubishi Heavy Inds	10.888m	651	−4
Yodogawa Sd Works	10.741m	1,218	+148
Showa Denko	9.306m	748	+7
Nisshin Steel	7.988m	608	+7

LONDON Chief price changes (in pence unless otherwise indicated)

RISES:					
Brown(Matthew)	672	+19	Harr. & Cros	548	+23
Etam	284	+13	Hunting Assoc	475	+35
Finlay Packag	98	+ 9	M & G Group	294	+27
			Minet	352	+15
Rugby Group	214	+12			
Scot & Newc.	235	+13			

FALLS:					
Assoc Brit Foods	295	−15	Brit. Aerospace	337	−21
Berisford (S&W)	314	−57	Close Bros	200	−23
Boots	239	−13	Storehouse	261	−16
			TI Group	267	−12
			Tate & Lyle	606	−14
			Woolworth	307	−25

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NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
19	9¾	AAR s	.96	1.6	21	402	u20	18⅞	19⅞	+1½
32½	17½	AFG s	.16	.6	9	1041	25½	24⅝	25½	+½
27	10½	AGS s			14	382	16⅝	15⅞	16	−¼
10½	6¾	AMCA				1	7⅜	7⅜	7⅜	−⅛
5⅝	3¼	AM Intl			42	1779	4⅝	4⅛	4⅝	+⅜
65½	29½	AMR			11	7861	35⅞	34½	36½	+1½
12¼	6⅝	ARX s			7	215	7¼	7	7¼	
73½	34½	ASA	2a	4.2		901	48¼	46¼	48⅛	+2⅛
22⅝	9½	AVX			16	1049	15¼	14⅛	14⅝	−⅛
67	40	AbtLab	1	2.0	19	3091	50⅞	49⅞	50¾	+1
28	15⅝	Abitibi g				507	18⅛	17⅞	18	−⅜
18¾	9	AcmeC	.40	3.5	12	157	11⅜	10½	11⅜	+⅜
10½	6⅛	AcmeE	.32b	4.1	27	30	7¾	7½	7¾	+⅛
23¼	16½	AdaEx	3.30e	18.		224	18⅞	18½	18⅝	−¼
19½	7¾	AdmM s	.24	2.6	7	380	9⅝	8½	9⅝	+½
35	14⅛	AdvSys			17	183	26½	24⅝	26½	+1⅞
24⅞	9½	AMD				7501	11⅛	10¼	10⅞	−1
56¾	30½	AMD pf	3	9.2		584	33½	32½	32⅞	−2
11⅞	4¾	Adobe				1457	5¾	5½	5⅝	
21⅞	17	Adob pf	2.40	13.		5	18⅛	18⅛	18⅛	
15	6⅛	Advest	.12a	1.5	6	426	8⅛	7¾	8	+¼
68¼	46	AetnLf	2.76	5.4	7	1678	51⅞	50⅝	51⅛	
83½	30⅝	AflPb s	.32	.6	8	543	53	51	51¾	−1¼
28⅞	15	Ahmans	.88	5.3	7	2221	16⅞	16⅛	16⅝	+⅜
5⅝	1¾	Aileen				88	2½	2⅛	2⅝	
53⅞	29	AirPrd	1	2.9	12	2285	35	34⅛	34⅞	+⅞
36	11½	AirbFrt	.60	4.3	8	188	14	13½	13⅞	+⅛
18½	7⅝	Airgas n			18	78	11⅜	11	11⅜	+⅛
19⅞	13½	Airlease	1.11e	14.	9	74	15¼	15⅛	15¼	−¼
15-32	¼	AlMoan			19	42	⅜	11-32	⅜	+1-32
28	25⅝	AlaP pf	1.95e	7.4		1	26½	26½	26½	+¾
10¾	7⅜	AlaP dpf	.87	10.		147	8⅞	8⅝	8¾	
106½	81½	AlaP pf	9	10.		z100	89	87	89	+2
104	76	AlaP pf	8.16	9.9		z150	82¼	82¼	82¼	−¾
98½	77	AlaP pf	8.28	10.		z50	81	81	81	−1
27⅞	12¼	AlskAir	.16	1.2	16	731	14⅛	13½	13¾	+¼
28¼	14¾	Alberto	.24	1.3	15	x256	18¾	17⅛	18¾	+1⅞
24	12¾	AlbCulA	.24	1.5	12	x30	15½	15	15½	+⅝
34	20¼	Albtsn s	.48	1.8	16	x643	26½	26	26½	−⅛
37⅞	18	Alcan s	.45l	1.7	13	4293	26½	24⅞	26⅛	+⅞
30	15¼	AlcoS s	.64	3.2	13	595	19¾	19	19¾	+½
34½	17⅛	AlexAlx	1	5.2	17	2168	19⅝	18¾	19⅛	+⅜
59	34¾	Alexdr			134	32	36⅛	36	36⅛	
82½	48½	AllegCp			6	49	68¾	67	68	+1
24¾	4½	AlgInt				1596	6⅝	6⅛	6⅝	+½
20⅛	8½	AlgIn pr				5	9¼	9⅛	9⅛	−⅛
34	15⅝	AlgLudn	.10e	.5		332	19⅝	18⅝	18⅞	+⅝

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
37½	24½	Amlac pf	1.80	6.6		42	28¾	27¾	28¼	+1
4⅝	1½	vjAmlsc				36	2½	2¼	2½	−⅛
90¼	57	Amoco	3.30	4.6	16	2525	72¾	70⅛	72⅛	+1⅝
71½	34⅛	AMP	.90	1.9	22	5549	46⅞	45¾	45⅝	−¼
19	11⅛	Ampco	.30	2.6		29	11¾	11⅛	11¾	
22¼	6¾	Amre s				125	11	10⅛	10½	−⅛
16⅞	7	Amreps			18	165	9½	8½	8⅞	−⅝
35⅞	20¾	AmSth	1.16	4.8	7	200	24½	23½	24¼	+⅜
10⅞	3⅜	Anacmp			21	2383	6⅛	5⅝	6	
34⅞	18⅝	Anadrk	.30	1.2		845	24¾	22⅞	24⅝	+1⅝
23⅞	9½	Analog			33	1282	13⅝	12⅝	12⅝	−⅝
30½	11⅜	AnchGl s	.08	.5	13	525	17¾	17⅛	17⅜	+⅛
34⅝	19½	Angelic	.72	3.3	12	32	22½	22	22	−½
18	9⅝	AnglCrn	1.52	15.	104	97	10¾	10⅛	10⅜	−¼
40½	24⅝	Anheus	.80	1.9	16	4653	31⅝	30⅛	31¼	
17⅜	6¾	Anthm s			27	787	11½	9⅝	9⅝	−1
15⅜	7¾	Anthony	.44	4.7	6	387	9⅝	9	9⅜	+⅛
12⅝	7	Apache	.28	3.9		708	7½	7¼	7¼	+⅛
9⅛	3⅞	ApcP un	.70	13.		419	5½	5⅛	5⅜	+⅛
101½	72	ApPw pf	8.12	10.		z130	79⅛	79⅛	79⅛	−⅞
33¼	26⅝	ApPw pf	4.18	15.		11	29	28¾	28¾	−¼
41¾	14⅜	ApplMg			14	569	27	26⅛	26⅞	+⅜
27¾	17½	ArchDn	.10b	.5	11	x9409	19¼	18¼	18⅞	−½
38¾	17	ArcoCh	.20e	.6		1390	25¼	24⅝	25¾	+1¼
39	16¾	Aristc n	.36e	1.5	10	2811	24⅝	22½	24	+1
30¼	10⅝	ArkBst	.36	2.9	18	530	12⅝	12⅛	12⅜	−¼
26½	15¾	Arkla	1.08	6.0	14	1981	18	17	17⅞	+½
59	38⅞	Arkla pf	3	7.8		57	40	d38¾	39½	−½
15⅝	7⅜	Armada			33	44	9½	8⅞	9½	+½
14¾	4⅛	Armco			6	3289	10⅛	9½	10⅛	+½
25½	14	Armc pf	2.10	9.4		10	22¼	22	22¼	+¾
46	38	Armc pf	4.50	12.		7	39½	39	39	+1
47⅜	22½	ArmWl	.90	3.0	10	x913	30	28⅝	29⅝	+⅛
29½	13	Armtek	.48	2.8	11	480	17	15½	17	+1⅞
12⅛	4⅞	ArowE	.20j			583	6⅛	5⅞	6	−¼
21½	11¾	ArowE pf	1.94	13.		34	14¾	14¼	14⅝	
33	14¼	Artra				64	16¼	15¾	16⅞	+⅛
39¾	18	Arvin	.68	3.3	8	456	21	19⅞	20½	+⅝
34¼	13¾	Asarco			7	3374	20½	18¾	20	+½
71¾	46½	AshlOil	1.80	3.5	12	595	51¼	50⅛	51⅛	+⅛
12	4⅝	AsiaPcn				313	6⅛	5½	6	
15½	5⅝	AtalSos			7	86	7⅜	7	7⅜	+⅜
23⅛	10⅞	Athlone	1.60	14.		37	11⅝	11¼	11¼	−¼
41⅜	30	AtlEnrg	2.68	8.1	10	127	33⅛	32⅝	33	+⅜
98⅛	58⅝	AtlRich	4	5.0	15	3177	80¼	78⅜	80	+2½
235¾	135½	AtlRc pr	2.80	1.5		1	182¾	182¾	182¾	+4
53	14⅛	AtlasCp			383	73	34½	33½	34½	+1¼
9⅝	3⅜	AudVd			9	248	4⅝	4⅜	4⅜	+⅛
28⅝	11¾	Augat	.40	2.5	30	905	16¼	15¼	16¼	+⅛
27⅞	10	Auslmt	.32	2.4	8	180	13½	13¼	13⅝	−¼
54½	32¼	AutoDt	.44	1.0	23	1801	43	41½	42½	+1¼
6	3¾	Avalon	.20e	4.1	44	32	4⅞	4⅞	4⅞	−¼
26¼	13	AVMC s	.28	1.6	10	30	18	17	17¼	−⅜
29¼	15⅛	Avery s	.42	2.2	14	882	19⅝	18⅝	19¼	−½
39¼	18½	Avnet	.50	2.0	29	1238	25⅝	24⅝	25⅛	−¼
39⅝	19¼	Avon	2	8.0	11	3390	25⅝	24	25	+⅞
37½	16	Aydin			10	611	20¼	19¾	20¼	+¾

B B B

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
20¼	13⅜	BET n	.57e	3.7		13	15½	15¼	15¼	+⅛
9⅞	3¼	BMC				224	4⅞	4½	4¾	−⅜
33¼	23½	BRE	2.40	9.2	10	77	26¼	25½	26⅛	+⅝
42¼	20⅜	Balmco	.80	3.0	10	213	26⅝	26¼	26¼	−⅜
27⅜	11⅝	BkrHu n	.46	2.7		2202	17⅜	16¼	17¼	+¼
67	38⅝	BkrH pf	3.50	7.5		186	46¾	45	46¾	+1¾
26	17	Baldor	.48	2.5	18	722	19⅛	18⅝	19	+¼
48½	27¼	Ball	.96	2.8	13	239	34¾	32⅝	34¾	+2¼
27¾	10½	BallyMf	.20	1.4	9	3436	15	13⅝	14¼	+½
37⅞	19	BaltGE	1.90	5.8	9	1041	33	32¼	32⅝	−⅛
64	50½	Balt pfB	4.50	8.7		z500	52	50½	52	+½

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
33¼	20	BlkHR s			17	1382	25	24⅝	25	
10⅛	4⅝	BluChp	n.11e	1.8		144	6⅝	6¼	6¼	+⅛
54¾	34	Boeing	1.40	3.6	11	9819	39⅞	38⅞	38½	−⅛
86⅞	46	BoiseC	1.90	3.2	11	1277	59⅝	57	58⅝	+1⅛
68½	48	Boise pfC	3.50	7.0		109	49¾	49⅜	49⅜	+⅜
28⅞	11¾	BoltBr s	.06	.4		262	16¾	16	16⅝	−⅛
63⅞	30	Borden	1.28	2.8	13	x1280	45⅞	44⅞	45⅞	+1
24	11⅛	Bormns	.22	1.6	7	45	14¼	13⅞	14	+¼
18⅝	10⅝	BCelts n	1.25e	11.		121	11⅛	10⅞	11	+¼
28	18¾	BostEd	1.82	9.0	8	586	20¼	19¾	20¼	+¾
108	84½	BosE pf	8.88	10.		z300	87¾	87¼	87¾	+¾
17	13½	BosE pr	1.46	9.6		2	15¼	15¼	15¼	
44½	22	Bowatr	.80	2.9	18	1543	28⅛	26¾	28	+1¼
42	22⅝	BrigSt	1.60	6.2	16	623	26	24⅛	26	+1⅛
65¾	28¼	BristM s	1.40	3.2	18	5942	43⅝	41¼	43½	
228½	164	BristM pf	2	1.1		2	190	190	190	−10
37½	22⅛	BritAir	.76	3.1		296	24¾	24¾	24¾	−¼
32¾	20½	BGas2 pp	.75e	3.0	8	3905	25⅝	25	25⅛	−⅝
3⅝	2⅞	BritLnd			4	2¾	d	2⅝	2⅝	−¼
80⅝	36¾	BritPt	2.78e	5.2	11	1300	53⅞	53	53⅝	+⅛
21	8½	BritP wt				1107	8¼	8	8⅛	−⅛
18	17¼	BritPt pp				12986	16⅞	d16⅝	16⅞	−⅜
55⅝	28⅞	BritTel	1.69e	4.0	19	570	40¼	39½	40	−1⅜
11⅜	4½	Brock n			38	789	5¾	5	5⅝	+⅜
1⅜	⅝	Brock pf				30	½	7-16	½	
60	22	Brckw s	.96	1.9	17	2371	51⅞	45	51	+6
32½	18¼	BHP n	.43e	2.0		100	22	20¼	21½	+1
28½	18⅝	BklyUG s	1.86	7.6	9	105	21¾	21¼	21¾	
24⅝	16½	BwnSh	.40	2.4		101	17¼	16⅝	17	+¼
44⅞	26⅝	BrwnGp	.50	5.2	12	654	29⅞	27⅞	29	+1⅞
35¾	17½	BrwnF s	.40	1.6	23	2764	25	23⅝	25⅛	+⅞
30¼	13⅛	Brnwk s	.30	1.6	10	3749	18⅝	16½	18½	+1½
44½	21	BrshWl	.60	2.4	20	377	25	23½	25	+1¼
28¼	17¾	BuckeyeN	2.20	10.	9	x219	21⅝	20⅞	21⅝	+⅞
41⅝	19½	Bundy	.92a	3.8	10	54	24⅞	23¾	24¼	+⅝
23½	17¾	BunkrH	2.16	11.		4	19¾	19¼	19¾	−⅛
21⅞	13⅛	BKInv	1.88	13.	11	88	15	14⅜	14½	
34½	12	BurlnCt			9	419	16½	15¾	15¾	
64¼	40	BrlNth	2.20	3.5	14	3585	63¾	58⅞	63½	+3¾
20⅝	10⅛	Burndy			14	158	13¼	12½	12½	+⅛

C C C

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
33	18	CBI In	.60	2.9	29	284	20½	20¼	20½	+⅛
226¼	126¼	CBS	3	1.8	18	963	171¾	166½	167	−5⅝
5⅝	2¾	CCX				82	3	2⅞	2⅞	−⅛
66½	47¾	CIGNA	2.80	5.2	6	2083	54⅝	52¾	54¼	+1¼
62	49	CIG pf	4.10	8.3		238	49¼	49	49¼	
2½	11-16	vjCLC				45	1	1	1	

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
6⅛	1¾	ChartC			4	654	3⅞	3½	3½	−⅛
46¼	25	Chase	2.16	7.7		2488	28	27	27⅞	+⅜
56½	45	Chase pf	5.25	10.		6	50½	50	50½	
63⅝	48½	Chse pf	3.93e	7.7		33	51	49	51	+1¼
21⅝	4	Chaus			8	435	6⅞	6	6	−⅛
34¾	14⅝	Chelsea	.72	4.8	11	65	15¾	15	15½	+⅞
44⅝	26	Chemed	.60	5.8	7	213	28⅞	27½	27¾	+¼
49½	24½	ChmNY	2.72	9.6		1651	28¼	26¾	28¼	+1¼
8	2¾	ChNY B	.38e	9.8		1657	4⅛	3⅝	3⅞	+⅜
12¼	11	CNY pfC	.38e	3.4		128	11¼	d10⅞	11¼	+¼
53	50¾	ChNY pf	4.13e	8.1		13	51	51	51	−⅞
53⅝	49	ChNY pf	3.82e	7.6		22	51	49¾	50	+1
35⅝	19½	ChWst	n.04e	.2	32	538	25⅝	24⅜	25¼	
28⅝	15⅝	Chspk	.46	2.8	15	426	16⅞	16⅛	16⅞	+⅜
64⅝	32	Chevrn	2.40	5.4	22	8242	44½	42⅞	44½	+⅛
136¼	116	ChiMlw			9	25	134	129½	134	+5
78¾	41	ChiMl pf				34	54¾	54⅜	54⅜	
59	24	ChPac	.20	.6	11	387	33⅛	32½	32⅞	+1⅛
10¼	5¾	ChkFull	.24t	4.0	48	316	6⅝	5⅞	6	
29½	10⅝	ChrisCs	.47t	2.7	25	439	17½	16¼	17¼	+¼
7⅝	4½	Christn				34	4⅝	4½	4⅝	
48	22	Chrys s	1	3.8	4	8793	27¼	26¼	26¼	−⅜
73½	51½	Chubb	1.88	3.1	8	1408	61¼	59⅞	61¼	+1⅜
14⅝	5	Churchs	6	7.1	26	1374	6⅞	6¼	6½	+⅜
8	4	Chyron	.14	2.9	16	267	5	4⅝	4⅞	
43⅜	30½	Cilcorp	2.34	7.0	10	102	33½	32½	33½	+⅞
28⅞	19⅝	CinBel s	.96	4.2	12	75	23	21⅝	22¾	+1¼
28¾	23⅛	CinGE	2.20	9.2	6	974	24⅛	23¾	24	
103⅞	84½	CinG pf	9.30	11.		z700	87	86	86⅞	+1⅛
89	65½	CinG pf	7.44	11.		z200	69⅞	69⅞	69⅞	+⅞
108⅝	82½	CinG pf	9.28	11.		z400	86	85	86	+½
35	15	CinMil	.72	4.1	19	858	17¾	16⅞	17½	+1
15⅝	9½	CineOdn			11	269	11⅜	11	11⅜	+⅜
18⅝	7	CircleK	.28	2.8	11	1043	10¼	9¾	10	+1
41⅝	17	CirCty	.08	.4	12	1739	21⅞	20⅝	21¾	+1⅛
33½	16⅛	Circus s			16	332	23	22½	23	+¼
68⅝	31¾	Citicrp	2.70	6.5		3757	42	40½	41¼	+¾
34⅛	15⅞	Citicp wi				187	21½	20⅞	21½	+1
90⅝	74½	Citcp pf	6e	7.8		100	77¼	77¼	77¼	−1
8⅜	3	Clabir	.72	19.		202	4	3¾	3⅞	−⅛
13¼	3	ClairSt	.10b	2.1	11	670	4⅞	4¼	4⅞	+⅛
35⅞	17¼	ClarkE				1421	20⅝	19⅝	20	−¼
16⅝	7½	ClayHm			10	829	9	8	8½	−½
9¾	4⅝	ClmGlbn				255	5⅝	5	5⅝	+⅜
21⅜	6	ClvClf				670	14	13⅛	13¾	+⅞
20⅞	10¼	ClvCl pf	2	10.		83	19⅝	17⅞	19⅜	+1⅞
81	64	ClvEl pf	7.40	11.		z170	68¾	68¾	68¾	−1¼
38	23½	Clorox s	.88	3.3	12	1302	26¾	26¼	26¾	+⅛
28¼	12¼	ClubMd	.20	1.4	11	179	15	14½	14½	−½
14⅞	8	Coachm	.40	4.7	34	321	8⅞	8¼	8½	−¼
9	4⅝	Cstam n				43	5⅜	5⅜	5½	+¼
20¾	12⅜	CoastSt	.30e	2.0	4	247	16¼	15⅜	15⅜	−⅞
40⅝	20¾	Coastl s	.40	1.5	10	2611	26½	24¼	26⅛	+1¼
38½	24¼	Coastl pf	2.11	7.5		95	28	27¾	28	+½
53⅛	29	CocaCl	1.12	2.7	15	7036	41⅞	40	41⅜	+⅛
21¼	10½	CocCE	n.05e	.3	32	2141	15¼	14⅝	14⅞	−½
12⅝	4¼	Coleco				1019	6	5½	5¾	+¼
43½	28¼	Colemn	1.20	3.9	12	139	31	30	30¾	+1⅛
52⅝	28	ColgPal	.48	3.5	65	2125	42	41⅜	42	+⅝
23½	10⅞	ColFds	.16	1.2	12	276	13¼	12¼	12⅞	+⅛
10	7⅛	ColMu	n.39e	4.9		653	8	7¾	8	+⅛
16¼	7½	Colt n			5	606	10	9⅝	9⅞	+⅜
56½	35½	ColGas	3.18	7.0	16	680	46	45	45½	+2½
60	52	ColGs pf	5.48	10.		5	53½	53¼	53½	+¼
14¾	6½	ColumS	.28	3.3	2	2248	8¾	8½	8½	−⅛
14⅞	5½	ColSv pf				30	8⅝	8⅝	8⅝	+½
118	111	CSP pf	o15.25	14.		z100	111¼	111	111	−1
45⅝	25⅛	CmbEn	1	3.3	22	987	30	29	29⅞	+⅛
36½	12	Comdis	.20	1.1	8	1982	18⅝	16½	18¼	+1⅝

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
36¾	22	CorBlk	.84	3.2	11	127	26¼	25½	26	+¼
10½	4½	CTF	.13e	2.5		34	5⅝	4⅞	5⅛	+¼
17¼	4¾	CntCrd	.26r	4.3	6	284	6⅞	6½	6¾	+⅛
19½	6⅝	CnrtMt	1.55e	20.	5	286	8	7½	7⅝	
22¼	9⅝	Craig			7	87	14¼	13¾	13¾	−¼
35½	17¾	Crane s	.90	3.9	11	265	23⅝	21¼	23¼	+2⅛
135¾	47	CrayRs			16	1023	69½	66½	68⅝	+⅛
30¼	17¼	CrmpKs	.68	3.2	70	x27	21	20½	21	+⅜
139⅞	85½	CrwnCk			13	195	105	101	105	+3
28⅝	12½	CrysBd			11	85	16	15	15⅝	+⅝
58	32	Culbro	.80a	2.2	5	14	36⅞	36¼	36¼	−⅛
14⅛	5	Cullnet				1530	7¼	6⅝	7⅛	+⅛
84¾	43¼	CumEn	2.20	4.8	31	1754	47½	44¾	45	−2⅞
68½	37	Cumn pr	3.50	8.5		14	41⅞	41	41	−⅞
13⅝	10½	CurInc	1.10a	9.9		7	11⅛	11	11⅛	
69	47⅝	CurtW	1.60	3.3	8	18	49	48½	49	+¼
49½	19¼	Cyclpi n				107	24	22	24	−¼

D D D

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
29⅞	15¼	DCNY s	.10i	.5	18	106	21	20½	20½	
29¼	22⅛	DPL	2.08	9.0	7	20454	23½	23⅛	23⅛	−⅜
15⅝	9	Dallas	.66	7.2	40	139	9⅛	d	8½	9⅛
20¼	8½	DamnCs	.20	1.7	58	176	12	11⅝	11⅝	−⅜
54¼	32¾	DanaCp	1.44	3.7	16	495	39¾	38	38½	
16¾	5¼	Danhr s			11	293	8¾	8¼	8½	+⅞
13⅞	5¼	Daniel	.18	2.7		154	6⅝	6¼	6¾	+⅜
39¾	18	DataGn				890	22⅝	21	22⅝	+1
9¼	3⅜	Datapt				782	4⅞	4⅜	4¾	+⅜
33	15½	Datpt pf	4.94	23.		42	21⅜	21	21¼	
10⅝	5¼	DtaDsg	.24	3.4	17	173	7¼	7⅛	7⅛	+⅛
25½	8¾	DavWtr	.16	1.7	10	62	9⅝	9¼	9⅝	
63	21½	DaytHd	.92	2.9	9	4063	32¼	31¼	31⅞	+½
93¾	70	DPL pf	7.70	10.		z100	78½	78½	75½	+½
38½	22¾	DeanFd	.54	2.1	16	239	25¼	24½	25⅛	+⅞
12⅝	4⅛	DiC				469	7	6¼	6¾	+½
43	22¼	Deere	.25	.9		1640	28⅝	27¾	28⅝	+½
22	16	DelVal	1.80	10.	10	30	18½	18	18	
23⅜	16¼	DelmP s	1.41	7.6	10	459	18¾	18⅛	18½	−⅜
67⅞	35	DeltaAr	1.20	3.1	7	2511	39	38¼	38⅞	+½
6⅞	3⅝	Deltona			35	21	4½	4¼	4¼	−¼
42¼	21½	DlxChk	.80	3.0	18	2457	27	25¼	27	+1
35½	21¼	DensMfl	.24	4.7	11	474	26½	25⅞	26⅛	+¼
43¾	23⅝	DeSoto	1.40	5.7	13	1288	24¾	24¼	24½	−¼
19	12½	DetEd	1.68	12.	4	2018	14⅛	14⅛	14¼	+⅛
105	72	DetE pf	5.50	7.0		1	79	79	79	
99	80	DetE pf	9.32	12.		z200	81	81	81	−1½
85½	80½	DetE pf	7.45	12.		z110	64¾	64¾	64¾	−¼
86⅞	62	DetE pf	7.36	11.		z200	66	66	66	+1

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
107¼	55½	Eaton	2	2.8	9	1380	71¼	69¾	70⅝	+⅜
25⅝	10⅝	Echlin	.56	4.2	15	3671	13⅝	12	13¼	+⅜
33¾	19½	Ecolab	.62	2.7	4	503	22¾	21¾	22¾	−1
44	25	EdisBr	1.80	7.7	17	411	23¾	23¼	23½	
21	12⅛	EDO	.28	2.1	15	72	13⅝	13⅛	13¼	+⅛
38⅞	14¼	Edward	.68	3.6	8	1230	19	18⅝	18⅝	+⅜
13¾	6⅝	Elcor s	.22	2.9	7	266	7⅝	7⅝	7⅝	+⅛
22⅝	11⅝	Eldon s	.20	1.3	18	98	16	15¼	16	+½
5⅞	2⅛	ElecAs			14	150	2¾	2¼	2¾	+¼
15⅝	8½	Elgin				88	10	9½	10	+½
3	1	Elscint				107	1⅞	1¼	1⅞	+⅜
10⅞	5¼	Emrld n	1.20	16.		118	7¾	7¼	7⅝	+⅜
42⅝	26¾	EmrsE s			16	4324	31	29¼	30½	+½
12¾	2⅝	EmRad			9	1486	3½	3⅛	3⅜	+¼
18	4¼	EmryA				1049	5½	5	5⅛	−¼
26⅝	15½	Emhrt s			7	1654	19⅝	18⅞	19⅝	+⅜
34⅞	27⅜	EmpDs	2.12	7.6	9	15	28	27⅞	27⅞	−⅛
6⅝	5¼	Emp pf	.47	8.0		z200	5⅞	5⅞	5⅞	+⅝
24¾	18	Energen	1.14	6.2	9	30	18½	18⅛	18½	+½
29¼	14¾	EnglC s	.52	2.7	11	524	19¼	17¼	19⅛	+1⅞
30⅞	15⅝	EnisB s	.52	2.4	15	170	22½	21¾	21¾	−1
53½	31	Enron	2.48	7.0		2814	35⅞	34¾	35½	+⅜
26	14¾	Enserch	.80	4.7	39	2381	17	16½	16⅞	+⅜
18½	9⅝	EnsExp pf	.20	11.	27	424	11½	11⅛	11¼	+⅛
11½	5¾	Enserce				207	6½	6⅛	6⅛	−⅛
12¾	4⅛	Entera				88	5⅜	5	5⅜	+¼
23⅞	12⅜	Entexdn	.35j	1.8		943	19	18	19	+⅞
24½	6½	EnvSys				553	9¾	9	9	−½
26	13	EnvSy pf	1.75	11.		6	16¼	15¾	15¾	−½
36¼	17⅛	EnvTrt			61	177	21¼	19¾	20¾	−¼
31½	19¾	Equitex	.76	3.3	18	97	23	22¼	22⅞	+½
5⅝	2⅝	Equimk			21	700	2⅞	2⅝	2⅞	+⅛
25¼	21	Eqmk pf	2.31	11.		3	21½	21½	21½	+½
10⅞	7	EqtRl	n.75e	9.7		93	7⅞	7½	7¾	+⅛
46⅞	27½	EqtRs s	1.20	3.9	14	x551	31⅜	31	31	−⅜
10	6¼	Equitec	.16	1.8	7	102	9⅛	8½	9⅛	+½
35	15½	Erbmnt	.52	2.6	12	249	19⅞	18⅞	19⅝	+¼
46⅛	24	EssBus	.72	2.4	12	174	30	29½	30	
35	16¾	EssexCh	.60	2.6	31	446	23¼	21½	22¾	+1¾
21	9	Estrlne			100	158	11⅜	10¾	11	
32¼	15½	Ethyl	.40	2.1	18	3027	18⅞	17⅝	18¾	+1⅛
20	13½	Excelsr	1.38	8.9		2	15¼	15¼	15¼	+⅛
50¾	30⅞	Exxon s	2	4.6	13	14480	44	41¼	43⅝	+1

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12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
35¾	13	FGIC n	.04	.3	8	358	15¾	15⅛	15¾	+½
60¾	18⅞	FMC			7	1088	36¾	34⅝	36½	+½
36¾	24⅝	FPL Gp	2.12	7.0	10	2982	30½	30	30½	+¼
13⅝	6¾	FabCtr	.14j		11	88	7	6¾	6¾	
23⅛	10⅛	Facet			17	80	16⅞	14¾	15½	+⅞
15½	8	Fairchd	.20	2.3	40	183	9¼	8¾	8¾	
40⅝	35⅛	Fairc pf	3.60	9.8		7	36¾	36¼	36¾	+⅜
12	5	Fairfld				81	6¼	5⅞	6	−¼
16⅞	7	FamDlr	.20	2.9	11	2659	8¾	8½	8¾	+1
17⅛	6¾	FarWst	.40	4.2	3	146	9¾	9½	9½	−¼
18½	7⅞	Farah			863	297	8¾	8½	8⅝	−¼
10	5¼	FayDrg	.20	2.9	18	191	7	6⅞	7	+⅝
9¾	4½	Feders	.24	3.8	14	535	6⅝	5⅞	6⅜	+¼
28	19	Feder pf	1.75	8.5		8	20½	20	20½	+1
75½	45½	FedExp				4043	53⅞	50½	52¾	−1¾
64⅞	42	FdHm pf	4e	9.5		25	42	42	42	−½
49	28½	FdMog	1.60	5.3	70	379	30¾	29½	30¼	+1¼
48¾	27	FedNM	.32	1.0	11	2967	32¼	31⅛	32⅛	−¼
18½	7	FdNM wi				1015	9⅛	9¼	9½	
54	22	FedlPB	.80	2.5	10	1336	31¾	30	31¾	−¼
54¾	31½	FPap pf	2.87	8.0		18	36	35¼	35⅞	−⅛
25¾	17¼	FedRlt s	1.20	6.2	34	178	19⅝	19⅛	19½	+½
26⅞	15¾	FdSgnl	.80	4.3	12	269	18¾	17½	18¾	+1
58½	29	FedDS s	1.48	3.7	13	2948	40⅝	39⅛	40⅝	+¾
31¼	17½	Ferro s	.88	3.0	11	1135	23	22¾	23	−¼

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
16¼	12⅛	FtDear	1.38	10.		40	13¾	13⅝	13⅝	−⅛
62	32	FtHowd	1.06	2.9	17	1943	37¾	35¾	37⅝	+1⅞
25	11	FosWh	.44	3.1	18	3897	14⅝	13⅝	14¼	+1⅛
39⅞	18⅝	Foxbro	.25e	1.1		151	23⅞	22¾	23	+⅜
15	6	Franc	n1.12e	13.		341	8⅝	8¼	8⅝	+¼
42⅝	12	FrnkRs	.24	1.4	6	336	17½	16¾	17⅝	+⅜
17	10⅝	FMEP	2.20	18.	86	328	12½	12¼	12½	+⅛
23⅞	9½	FMGC	.05e	.4	23	289	13¼	12½	12½	−⅜
7	4	FMOG	1.03e	19.	8	423	5½	5¼	5½	+⅛
31⅜	16¼	FrptMc	2.21e	9.8	8	1790	22⅞	21⅛	22½	−1
33¾	21	FrptM pf	1.87	7.7		66	24½	24⅜	24⅜	−⅛
21⅛	13⅝	FMRP	2.40	14.	10	463	17¼	16¾	16¾	
6⅝	2	FruitfB				358	2⅞	2⅝	2¾	
24¼	6½	Frtl pfA	3.68	44.		410	8⅝	8	8⅝	+⅝
36⅝	18½	Fuqua	.24	1.0	12	534	26¼	25¼	25¼	−¼
10⅝	7	FurrsBn	.08e	.9		77	9¼	8⅞	9⅛	+¼

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12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
68½	31¾	GAF	.10	.2	18	3088	46½	44½	44¾	−¾
50¾	30½	GATX	1.50	4.0	10	224	37⅝	36⅞	37⅜	+⅝
13⅞	2	GCA n				316	4½	4	4⅛	−½
138¾	80⅛	GEICO	1.36	1.3	8	74	103½	100	103¼	+1¾
7¼	1¾	GEO				821	4⅛	3¾	4	+⅛
6½	2⅜	GF Cp				12	3⅜	3⅝	3⅝	+⅜
44¾	29⅝	GTE s	2.52	6.8	12	6428	38	35⅞	37¼	
58⅝	46	GTE pf	2.50	5.0		2	50	50	50	+3½
35¼	29½	GTE pf	2	6.5		2	30¾	30¾	30¾	+¼
31½	22¾	GTE pf	2.48	9.6		38	25⅞	25⅝	25¾	
10⅞	6½	Gabelli	.64e	8.5		1025	7⅝	7¼	7½	+⅛
15¾	3½	Galoobn				355	4½	4	4⅝	+⅜
5½	1⅛	GalHou				155	2¼	2	2⅛	+⅛
56¼	26	Gannett	1	2.6	21	2183	38⅝	37¼	38	
77⅞	16	Gap s	.50	2.6	9	1739	19⅝	18¼	19⅛	−⅜
4	1⅛	Gearht	.20j			622	1⅜	1⅛	1¼	+⅛
34½	17⅞	Geico				905	33⅝	32¾	33½	+1⅛
18⅝	15	Geico pf	1.56e	10.		818	15⅝	15⅜	15½	
17½	9¼	GemII C				280	12¼	11⅝	11⅞	−¼
15	9⅝	GemII	1.23e	10.		127	12¼	11⅞	12⅛	+¼
120	59¾	GnCorp	1.50	2.1	12	881	71½	69¾	70½	+¾
22	13½	GAInv	2.51e	16.		216	16½	15¼	16	+⅞
31¾	15	GCInms	.36	2.1	10	1368	17½	16⅛	17½	+1¾
31⅛	14	GCin pfs	.39	2.3		4	16¾	16	16¾	
14¼	3⅝	GnData			98	274	5	4¾	4⅞	
28⅝	9	GenDev			4	153	10¾	10⅝	10⅝	−⅛
79	48½	GnDyn	1	2.0	142	1894	51	49¾	51	+1
66⅝	37¼	GenEl s	1.32	2.8	16	13943	47½	45½	47⅛	−¼
5⅝	3	GnEngy	.60	18.		52	3⅜	3¼	3¼	
10⅛	2¾	GnHme				46	3⅜	3⅛	3¼	−⅛

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
24⅝	12	GtWFn s	.72	4.8	7	x5761	15¾	15⅛	15⅛	−⅞
30¼	20½	GMP	1.86	8.7	9	43	21⅜	21¼	21⅜	
38	14½	GrenTr	.50l	3.0	8	294	17⅜	16½	16⅞	−⅛
48	19¼	Greyh	1.32	5.2	6	1804	25⅝	25⅛	25¼	−¼
16¾	7⅛	Grolier			9	476	9⅞	9¼	9½	−⅜
15	6¼	GrowGp	.30b	4.0	36	1073	7⅝	7¼	7½	+⅜
9¾	6⅛	GthStk	.29e	3.1		263	9⅝	9	9¼	
7⅝	4	GrubEl	.02j			174	4⅝	4½	4⅝	+⅛
32⅝	17½	Grumn	1	4.6	12	819	22⅛	21⅛	21¾	+¼
28¾	24¾	Grum pf	2.80	11.		1092	26⅛	25¼	25¼	−⅛
38½	23⅞	Guilfrd	.80	3.1	11	106	25½	24⅞	25½	+⅞
93½	59⅝	GlfWst	1.20	1.7	15	1059	70	68½	69½	
17¼	8½	GulfRs		3.4	6	114	11¼	11	11	+⅝
10	4⅝	GlfStUt			4	1571	6⅛	5⅞	6	
43½	30	GSU pfB				z300	31½	31½	31½	+1½
40¼	34½	GSU PFG				z400	32	d32	32	−8
36¾	25¼	GSU pfD				2	27	27	27	+½
28¾	20½	GSU prN				57	20⅞	20¾	20¾	
31½	23⅛	GSU prM				37	23¾	23⅝	23¾	+¼
79½	60	GSU pfK				z300	61	60	60	−1

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12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
27¾	17¼	HRE	1.80	9.9	11	129	18½	18⅛	18⅛	−¼
19⅝	4	HallFB	1j			332	5	4⅝	4⅞	−⅛
43⅛	20⅛	Halbtn	1	3.5		3591	28⅞	26⅝	28⅞	+1⅞
30⅝	14¼	Halwod	1.12	6.4	11	65	17⅝	16⅝	17½	+1
20⅝	11¼	HanFb n	.40	3.0	9	214	13⅝	13¼	13¼	−⅛
18	12½	HanJS	1.47a	10.		52	14¼	14	14⅛	
25⅝	16¼	HanJI	1.84a	9.1		49	20⅜	19⅞	20⅛	+¼
34⅝	13½	Handlm	.64	3.2	11	1046	20	18¾	20	+¾
28	13½	HandH	.66	4.6		903	14⅜	13⅞	14¼	+⅛
29	15¾	Hanna	.40	2.0	25	2521	20	19½	19⅝	−¼
33	23½	Hanna pf	2.13	8.3		4	25½	25½	25½	
54¾	32	Hanfrd	.58	1.6	14	105	35½	34¼	34½	−½
18	9	Hansn s	.15i	1.3	13	3138	11⅞	11½	11¾	−⅛
13¼	3¾	HarBrJ				2325	5¼	4⅝	5	+⅝
11⅝	5¾	HarBJ pf	1.65t	24.		294	7¼	6¾	7	−⅛
30¾	15⅝	Harlnd s	.42	2.2	17	941	19⅞	19	19	−⅝
26½	7¼	Harley			9	153	15¼	14⅝	15⅛	
29¾	8½	Harnish			47	2651	17½	14⅜	17⅝	+1¼
43¾	23¾	Harris	.88	3.1	13	1013	28	27⅛	28	+¼
39⅝	23	Harsco	1	3.8	15	163	26¾	26½	26⅝	−¼
60⅝	45	Hartfd pf	2.78e	5.7		5	48¾	48¾	48¾	−⅝
34¾	20½	Hartmx	1	4.4	18	742	22½	21½	22½	+1
21¾	13½	HatiSe	1.68	10.	11	19	16⅝	16⅛	16⅛	
34¼	22¼	HawEl	1.92	7.5	10	357	25⅝	25⅛	25¾	−⅛
10	6¾	HzRhbs	1.08	12.		57	8⅞	8¾	8⅞	+⅛
31⅜	21¾	HlthCP	2.46e	9.8	14	158	25	24½	25	+¾
13⅛	1⅝	vjHecks				272	2⅝	2⅛	2⅜	−¼
28⅝	9⅞	HeclaM			78	1348	12⅞	12⅛	12½	+½
42½	22⅞	Heilmn	.48e	1.2	22	88	40	39¼	39½	
38⅝	13	Heilig	.32	2.1	11	346	15⅝	15⅛	15½	−¼
51¾	33½	Heinz	1.24	2.9	17	2357	43¼	41⅛	43¼	+1⅜
41¼	24½	HeineC	.30	1.1	6	10	27¾	27	27¾	+⅝
36⅝	18	HelmP	.40	2.0	30	981	20⅝	19	20⅝	+⅝
14⅞	7¾	Helvet n				155	10⅝	10¼	10⅜	+⅛
73½	40	Hercul s	.92	3.9	3	1883	49⅝	47½	48¾	+¼
37¾	20¼	Hrshey	.82	2.4	16	1180	25⅞	25⅛	25⅞	+¼
73⅝	39¼	HewlPk	.26	.5	22	6867	51¼	48½	50¾	+⅝
59¼	32	Hexcel	.80	1.7	14	61	36½	35½	35¾	+½
24⅛	12⅜	HiShear	.44	3.5	18	26	12⅞	12⅜	12⅝	
10⅛	10	Hiinco n				860	10⅛	d9⅝	9¾	−⅜
16¼	8¾	HiVolt	.20	2.0	19	88	10¼	9¾	10¼	+½
10⅝	10	HiYld n				83	10⅛	10	10⅛	+⅛
31¼	19¼	Hinbd s	.35	1.6	16	233	23	22½	22½	−⅛
12⅝	6	HillDp n				214	8¼	7⅝	8	+⅛
91¾	55	Hilton	1.80	2.7	16	302	66⅞	64	66⅞	+1¾
54¼	23	Hirnnt	n.34e	1.1		652	30¼	29⅞	30½	−⅜
110½	57⅝	Hitachi	.78e	.9		1002	82	81¼	81¼	−1

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
27	19¼	IndiM pf	2.25	11.		11	21⅞	21⅛	21⅛	−⅜
35¼	23¾	IndiEn	2.20	8.3	10	98	26½	26	26½	+1¼
45¾	21⅞	IngerRa	1.04	3.5	15	2150	30½	28½	29⅞	−⅜
30½	10	IngrTec	.54	4.3	13	36	12½	12¼	12½	+½
35¼	17	InldStl	.30j		14	845	22⅝	21¼	22	+1¼
54	45¼	InldSt pf	4.75	10.		49	46	d45	46	
28¼	14⅝	Insilco	1	6.0	10	288	16¾	16	16¼	+⅜
10⅛	3¾	InspRs				1715	5¼	4⅝	5⅛	+¾
32⅞	14⅝	IntgRsc			10	451	18¼	17	17¾	+⅞
48½	37	IntgR pf	4.48e	11.		5	42½	42½	42½	−½
44⅞	32⅞	IntgR pf	4.25	12.		91	34¼	33¾	34¼	+⅜
24	14½	IntgR pf				17	16	15¾	16	+¾
10	2⅝	Intlog			6	470	3⅜	3⅛	3⅜	+⅜
17½	8¼	IntRFn			6	65	9⅞	9½	9½	−½
24⅝	17½	ItcpSe	2.10	11.		37	19½	19⅛	19½	+⅝
34	31	Intarco	1.60	4.4	10	718	36½	35½	35½	+½
225	145	Inter pf	7.75	5.3		1	145	145	145	
55	34	IntAlk s	1.40	3.7	11	937	39	38⅛	38¼	−⅛
32⅛	14⅝	Intmed			33	352	22¾	21¼	22½	+1¼
24½	15½	IntAlu	.80	5.2	10	41	15¾	d15⅜	15⅜	−¼
175⅞	102	IBM	4.40	3.5	17	15990	124⅞	121	124½	+2
58	35⅝	IntFlav	1.24	2.8	18	719	43¾	43⅛	43¾	+½
53	25¾	IntMin	1	2.8		1711	35¾	34¾	35¼	−⅝
49	40	IntMn pf	4	9.9		8	40½	40½	40½	
57	45¾	IntM pfA	3.75	7.4		14	51	51	51	−½
39¾	22½	IntMult	1.16	4.3	17	344	27½	27	27¼	−¼
57¾	27	IntPap s	1.20	3.2	10	6817	38	36	37¾	+½
12⅛	5⅛	IntRc s				211	6¾	6⅛	6¼	−⅜
27⅜	7	IT Crp				3099	7⅝	7⅜	7½	+⅛
43½	22¾	IntpbG	.88	2.4	14	464	29½	27⅞	28¾	+1¼
40¾	19½	IntStr			19	15	20⅝	20⅛	20⅛	+⅛
30	19	IntStk wd				8	20	20	20	
30	21	IntstPw	1.96	8.7	14	102	22½	22⅜	22½	
14½	7½	IntSec	.40	5.1	16	35	7⅞	7¾	7⅞	+⅛
47	35	IowlG	3.04	8.7	8	191	36¼	35	35	−1
25⅞	17⅝	IowaRs	1.64	8.4	10	244	19½	18⅝	19½	+⅝
28¾	19¼	Ipalco	1.58	6.7	8	709	23⅜	23⅛	23⅛	−¼
18¾	9	IpcoCp	.36	3.4	62	59	10½	10¼	10½	
79	37¾	IrvBnk	2.24	4.5	94	1937	50¼	47¾	49¾	+1½
13¾	7⅛	Italy	n1.44e	19.		97	7¾	7⅛	7¾	+⅛

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12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
24⅞	12	JP Ind			12	288	14⅝	14	14⅝	
33	11¾	JWP s			11	623	17⅞	16⅝	17½	+⅛
13¼	5⅞	Jackpot	.10	1.1	13	308	9¼	8⅝	9¼	−⅛
43¾	18½	JRiver	.40	1.8	11	4194	22⅞	21¼	22⅛	−⅞
67½	37½	JRvr pf	3.38	8.2		21	41¾	40¾	41	−¼
18¼	5⅞	Jamswy	.06	1.1	6	509	7⅝	7⅛	7⅜	+¾

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
21	12¼	ManrCr	.13	.8	15	451	15⅝	14½	15⅝	+⅝
49⅛	26½	MfrHan	3.28	11.		1886	31	29¾	30⅝	−⅝
52⅝	40	MfrH pf	4.88e	12.		5	41	40½	41	
5⅝	1⅝	vjManvl			1	1117	2⅝	2⅜	2⅜	
22	14½	vjMnvl pf				84	18¼	16	18¼	+1¼
66⅝	39⅞	MAPCO	1	2.3	15	695	43¼	42½	42⅝	−⅛
7⅝	1⅛	Marcde			34	459	5½	2⅞	3⅝	+⅝
82⅝	44⅝	MarMid	2.04	2.6		3680	78¼	77⅞	78	+½
41½	17¾	Marlons	.20	.7	41	4106	29¼	27⅝	28½	−½
9⅞	8	Marltr	n1.15	15.		215	7⅞	7½	7⅝	+¼
19½	8⅞	MrkV s			8	212	12⅝	11⅝	11⅞	−⅝
43¾	24	Marriot	.16	.5	21	3308	31	29½	30¼	+¼
72	48	MrshMc	.40	4.4	14	1445	54¾	53¾	54⅝	+⅛
25	8⅞	Marthns			14	416	14½	13¼	13⅝	−1¼
58½	35	MartM	1.10	2.8	10	1409	40⅛	38¾	40	+1⅛
40⅞	18¾	Masco	.40	1.6	13	2004	25½	24⅛	24¼	−½
50¾	34½	MasCp	3.80	11.		17	36¼	35¾	36⅛	−⅛
14¼	9¾	Masinc	1.12a	11.		133	10⅝	10⅜	10½	+¼
195¾	93¼	MatsuE	.65e	.6		234	146	141	146	+5
15⅞	7¾	Mattel				2075	9¼	8¾	9⅛	+½
11½	7¾	MauLoa	.03e	11.	10	33	9	8⅝	9	+¼
16	6	Maxus n				2551	8	7¼	7⅝	+¼
46¾	34⅛	Maxus pf	4	11.		58	37⅞	37¼	37⅞	+⅛
17⅝	7¼	Maxam				105	9½	9	9½	+¼
50⅞	22¼	MayDS	1.14	3.6	12	4185	32¼	31½	32	
32¼	18¼	Maytag			13	1506	22⅝	21⅝	22⅝	−⅛
33⅝	20	McDr pf	2.20	9.5		56	23¼	22⅝	23¼	+1¼
30½	22¼	McDr pf	2.60	11.		210	24¼	23	23	−1½
33⅛	14	McDerI	1.80	9.9		1592	19	17⅞	18¼	+⅝
8⅝	1⅝	McDrl wt				577	4	3⅛	3¼	+⅛
11¾	5¾	McDId	.20	2.9	7	55	7⅛	6⅝	6⅞	−⅜
61⅛	31¾	McDnl s	.50	1.1	18	6022	45	43¼	45	−½
80⅞	41	McDnD	2.32	3.7	8	858	62¾	60¾	62⅝	+2¼
84½	48	McGrH	1.68	3.0	18	1146	56	51½	55¼	+6⅜
51	23	McInt g			8	7	29¼	27¼	29¼	+2¾
39⅝	24¼	McKes	1.28	4.6	13	1711	27¾	26⅝	27¾	+⅜

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
3	5-16	vjMcLe				20	⅜	9-16	9-16	
¾	1-128	vjMcL wt				17	3-32	5-64	5-64	−1-128
48¾	21	Mead s	.17e	.5	18	1435	32½	31½	32½	+½
34½	16½	Mearx s	.24	1.0	19	61	24¼	22½	23⅝	−½
20½	14	Medltr s	1.80	11.	13	718	17	16⅞	17	+⅜
108½	64	Medtrn	1.04	1.3	15	705	79	74¼	79	+3⅜
58¼	28	Mellon	1.40	4.1		472	34	32	33¾	+1⅜
51⅝	28¼	Mellon pf	2.80	11.		5	26⅞	26½	26½	−⅛
25½	19	Mellon pf	1.69	8.7		31	19⅝	d18⅞	19⅜	+⅜
64	44½	Melvll	1.76	3.3	11	2823	55	53¼	53¾	+⅛
53⅝	33⅛	MercSt	s.70	1.9	11	420	37⅞	36⅞	37⅛	+1⅛
223	100½	Merck	3.20	1.8	29	4421	183½	179	180½	−1
13⅝	4¾	MercSL	.40b	7.1	10	286	5¾	5	5⅝	+⅝
43¼	23	Merdthn	.56	1.9	16	221	29	28½	28¾	−½
46¾	21¾	MerLyn	1	4.1	4	x3829	24½	23⅝	24⅛	−⅛
17½	9⅞	MesaLP	2	18.	26	3519	11⅜	11	11¼	+¼
16¾	9¼	MesLP pf	1.50	14.		3029	11	10⅞	11	+¼
2	1	MesaOf	.21e	15.		1013	1¼	1¼	1⅜	+⅛
45¾	37⅜	MesaR	.67e	1.8		6	38	37¾	37¾	−½
2⅜	1	Mesab				33	1½	1⅜	1⅜	
9¾	4¾	Mestek			9	10	6½	6½	6½	+⅛
89	70	MtE pfF	8.12	11.		z100	76	76	76	+1
89	71	MtE pfB	8.12	10.		z100	77½	77½	77½	
15¾	7¾	MexFd	.44	4.9	8	209	9½	9	9	−⅝
14¼	3⅛	MexFd	.29r	4.5		1837	6¾	6⅛	6⅛	+⅛
28⅞	17¾	MchER	1.44	7.3	15	3	19¾	19½	19⅝	+⅛
8	3⅝	Mickiby	.05	1.2	4	31	5¼	5	5	−⅛
16¼	8⅛	MidSUt			4	2681	9⅝	9	9⅛	−⅛
24⅞	15	MWE	1.52	8.3	13	247	18⅞	18¼	18¼	−⅝
15¼	8⅞	MitnR	.44	4.2	47	47	10⅝	10¼	10⅝	+⅜
83½	45	MMM s	1.86	3.1	15	4094	60¾	58⅛	60	+1
35¼	19½	MinnPL	1.66	7.3	9	295	22¾	22	22⅝	+⅛
6¼	2⅝	Mitel			1	656	3	2⅞	2⅞	
55	25	Mobil	2.20	5.3	16	9433	41⅞	39	41¼	+1⅜
28⅝	12½	Mohasc s	.28	1.8	12	910	16	14⅝	15⅛	+1⅛
91¼	40½	MonCa			11	415	49	45¼	47	−1¼
24⅝	11⅞	Monrch	.80	5.9	91	46	13⅞	13½	13⅝	+⅛
100¼	57	Monsan	2.80	4.0	13	3271	71¾	69½	70⅞	+½
41¾	28⅞	MonPw	2.68	8.2	14	177	32⅝	32½	32½	−⅛
19	11½	Montedl				22	13¼	12¾	12¾	−¾
23¼	17¼	MonSt	1.80a	9.4		89	19¼	18¾	19⅛	+½
11¼	5½	MONY	.72	11.	10	188	6⅞	6⅝	6⅝	−⅛
28¾	16½	Moore	.75	3.8	14	279	19⅞	19	19⅞	+⅛
28¾	18	MoorM	.52	2.6	12	326	20½	19¾	20	−¼
63⅝	27	Morgn s	1.36	3.6	253	4832	38⅛	37⅛	38	
9⅞	3¼	MorgGn				181	6	5½	5½	−½
16½	8¾	MorKeg	.20	1.9	8	84	10⅞	10½	10½	−⅜
85⅞	45	MorgSt	.80	1.6	5	812	52⅝	50½	51	−2⅜

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
17⅜	13⅛	PacAS	1.54	11.		22	14	13⅞	13⅞	−⅛
27⅜	15	PacGE	1.92	11.	10	3861	18	17¾	18	+⅜
61¼	45¾	PacLtg	3.48	7.0	11	1176	49⅞	47¾	49⅞	+1⅞
17⅝	7½	PacRes	.10e	1.2	41	101	8⅞	8⅝	8⅝	+¼
27	19	PacRs pf	2	9.9		17	20⅛	20	20⅛	+⅜
20¼	10¼	PacSci	.40	3.2	20	56	12⅝	12	12⅝	+⅞
33¾	22½	PacTele	1.64	5.5	12	6922	30	29⅛	29¾	
39	28¾	PacTcp	2.52	7.8	9	888	32½	32	32½	+⅛
28⅞	7	PacoPh			7	318	8½	8	8½	+⅝
39⅛	13⅛	PainWb	.52	3.1	6	2228	17¼	16¼	16¾	−¼
26½	14½	PainW pf	1.37	9.1		280	15¾	14⅝	15⅛	−⅜
6⅝	3	PanAm				7683	3⅝	3¼	3⅝	
2¼	13-16	PanA wt				214	1⅛	1	1⅛	+⅛
34¾	18¼	PanEC n	2	8.4		1198	23⅞	22⅞	23⅞	+1⅛
21⅜	7⅛	Panhl			10	800	10⅞	9¾	10⅝	+1
27¾	10½	Pansphs	.16	1.1	15	516	14¼	13½	14¼	−⅛
27¼	9¾	ParPh s			19	450	16⅜	15⅝	16⅝	+¼
15½	4⅞	ParTch			6	89	5⅛	4⅞	5⅛	
8¾	3⅝	Pardyn				915	4⅞	4¼	4¼	−⅛
24½	12	ParkEl	.16	1.2	11	221	13⅛	12⅝	13⅛	+½
8⅞	2⅞	ParkDr	.01j	.3		902	4	3¾	4	+¼
49	24	ParkHn	.80	2.7	15	1316	31¼	29½	29⅝	−⅛
5⅛	2⅞	PatPtr			85	108	3¼	3⅛	3¼	
18⅝	4	Patten	.02i	.4	7	570	5½	5⅛	5¼	
21½	10⅝	PayNP	.30j		18	423	12⅞	12	12⅞	+⅞
26⅞	12	PayCsh	.16	1.2	11	1160	13⅞	12½	13⅝	+¾
60½	37	PenCen	.05	.1	14	544	44¼	43¼	43⅞	
66	35¼	Penney s	1.48	3.3	12	4757	45¾	43¼	45⅛	+1⅝
41⅜	28⅝	PaPL	2.68	7.8	11	700	34½	34⅛	34⅛	−½
101	78	PaPL pr	8.40	10.		z270	82	81	81	−½
98¼	74	PaPL pr	8	10.		z530	79½	78	78	+½
105	80	PaPL pr	8.70	10.		z10	85	85	85	
68¼	34¾	Pennwlt	2.40	8.2	11	125	39½	38½	39	+¾
30½	20½	Pennw pr	1.60	6.8		36	23⅝	22⅞	23⅝	+⅞

Continued on Page 49

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NYSE COMPOSITE CLOSING PRICES

Continued from Page 48

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
95	38½	Pennzl2.20		4.0	42	1189	54⅞	51¾	54⅞	+3
28¾	14⅛	PeopEn.44		6.4	9	320	17⅛	16¾	17⅛	+½
18⅞	9½	PepBy s .08		.6	24	1414	14½	12¾	14⅜	+1
42¼	25½	PepsiCo58		2.0	16	6372	34½	32½	34¼	+¾
12¾	7⅜	PerkF 1.15e		13.	12	115	8⅞	8⅝	8¾	
41⅛	18½	PerkEl .60		2.7		1100	22¼	21⅛	22	−½
8⅛	5½	Prmian.49e		7.2	10	385	6	5¾	6	+¼
10¼	6¾	PrLP pf1.15		14.		385	8¾	8⅛	8⅝	+¼
15⅝	6⅝	PeryDr .22		3.0		214	7¼	7	7¼	+⅛
40	18	Petrie .70		3.2	14	1620	21⅞	21	21⅞	+1
21¼	13½	PtPar n 2		12.	12	140	17⅜	17	17⅜	+⅛
33½	23⅛	PetRs 2.37e		9.7		120	24⅞	24¼	24⅜	−⅛
20	15	PetRs pf1.57		10.		13	15¼	15⅛	15¼	
2⅛	1	PtrInv .12e		9.6		2	1¼	1¼	1¼	−⅛
77	40	Pfizer 1.80		3.3	19	3859	54½	51⅞	54½	+1⅞
56	17⅝	PhelpD			18	7741	35	32	35	+2⅞
74	37	PhlpD pf 3		6.0		81	50	48¼	50	+2
26	16¾	PhilaEl2.20		11.	9	7704	19⅞	19½	19⅞	+¼
45½	34	PhE pfA3.80		11.		z20	37	35½	35½	−2½
48⅝	37½	PhE pfB4.30		11.		z860	39½	38	38	+½
49	35½	PhE pfC4.40		12.		z80	38½	38	38	−1
54	39	PhE pfD4.68		11.		z100	41½	41	41	−½
97⅛	69	PhE pfG8.75		12.		z120	74	73½	74	+½
13⅞	11	PhE pfR1.41		12.		68	12	11¾	11¾	−⅛
13¼	9⅞	PhE pfP1.33		12.		122	11	10¾	10⅞	−¼
88⅝	65⅝	PhE pfH7.85		11.		z100	69	69	69	
12⅞	9¾	PhE pfO1.28		12.		225	11	10½	11	+½
120½	110	PhE pfM15.25		14.		z1130	111	110⅛	110⅞	−½
103	79	PhE pfK9.50		12.		z300	83	79½	81	−1
88	64	PhE pfJ7.80		11.		z540	70	69	70	+¼
85	60	PhE pfI7.75		12.		z220	66	65	66	+½
19¼	12⅛	PhilSub .94		7.0	12	78	13⅝	13	13⅝	+½
124½	68½	PhilMr 3		3.2	13	6586	93	91½	93	+⅛
29⅞	12½	Philpln .44		2.9	11	746	15⅞	14¾	15¼	−¾
27⅞	16¼	PhlGl .80e		4.6	8	2684	17½	17	17¼	−¼
18¾	10	PhlPet .60		5.0		6478	12½	11⅝	12	+¼
24¾	22⅜	PhlPt pf1.73e		7.3		980	23¾	23½	23¾	+¼
26½	7½	PhlVH s .28		2.8	8	355	10	9⅞	10	
13½	3	Phlcrp n				184	3¾	3½	3⅝	+⅛

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
57¼	45⅞	Trav pf4.16		8.8		127	47¾	46⅝	47½	+¾
34	22¾	TriCon5.51e		21.		261	25⅝	25⅛	25⅝	
35¾	28½	TriCn pf2.50		8.6		7	29⅜	29	29	−⅛
44	22½	Triain s .12		.4	11	242	28½	27⅛	27½	−½
38	23⅛	Triind pf.12		.5		9	24¼	24	24¼	+½
49¾	28⅜	Tribun s .60		1.7	23	904	34⅞	33¼	34⅜	+1¾
4⅞	1⅝	Tricntr				83	3½	3½	3½	−⅛
34½	14¼	Trinty .50		2.7	60	820	19	18¼	18½	−1
44¼	20⅛	Trinova.56		2.0	14	1675	28½	26⅝	28½	+2¼
24¼	11⅞	TritEng.10b		.7	11	878	14½	14	14½	+¼
28¼	19⅜	TritE pf 2		9.2		114	21¾	21	21¾	+1
84¼	50⅞	TucsEP3.60		6.6	11	267	55⅛	53¾	54½	−⅝
18	8	Tultex s			8	582	10⅛	9⅝	9⅞	+⅛
23	14⅝	TwinDs .70		3.9	13	108	18	17⅞	18	+⅛
28⅛	15¾	TycoL s .24		1.2	86	1235	20⅝	20	20⅝	
15¾	10	Tyler .44		3.6	17	39	11½	11¼	11¼	−½
		U U U								
27⅛	11¾	UDC 2.20		15.	5	303	14⅝	13⅞	13¾	−⅜
32	21¾	UGI 2.04		8.3	9	42	24⅞	24½	24½	−⅜
13¾	4½	UNCInc.01e		.2	9	837	7	6⅛	6½	−¼
31⅜	16⅛	UNUM .20e		1.5		821	18¾	18	18½	+½
23	10⅝	URS .96t		7.8	12	191	12⅜	12	12⅜	+⅜
48¾	26¼	USFG 2.48		7.9	7	8840	31⅝	30⅜	31⅜	+¾
62	43½	USFG pf4.10		9.0		83	46¼	45⅝	45¾	−¼
55⅞	23½	USG 1.12		3.1	8	2767	36½	34¾	35¾	+½

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
15⅝	11⅞	VestSe1.20a		10.		64	11¾	11⅝	11¾	+⅛
8	2⅞	Vestrn				1449	4⅞	4¼	4⅞	+¾
101	74	VaEP pf7.72		9.7		z310	80	79	80	+1
97⅜	66½	VaEP pf7.20		9.9		z385	73	73	73	−¼
27	14	Vishay 1.52t		9.1	11	92	17¼	16⅝	16¾	+⅜
55⅞	17	VistaC n.05e		.2		614	29¼	27¾	29¼	+¾
13¾	6	Vons				505	8	7⅝	7¾	−⅛
101	68⅛	Vornad			17	12	81	81	81	
164	95	VulcM 3.40		2.8	12	158	121	119	121	+1
		W W W								
43⅞	26¾	WICOR2.60		8.2	12	70	32¼	31⅞	31⅞	+⅜
8	2⅜	WMS				418	4	3⅝	4	+⅛
59	50½	WabR pf4.50		8.8		z20	51	d50	51	+½
25¾	12¼	Wackht .80		4.0	18	87	15	14¼	15	
9	4	Wainoc.10e		2.0		366	5⅜	5	5	−⅜
42⅞	21⅝	WalMt s .12		.4	31	8528	29	27	28⅞	+1⅞
44⅞	24¾	Walgrn .60		1.9	21	2589	33	30⅞	31⅞	+1⅞
48½	31⅜	WalCSv .60		1.7	14	358	37	36	36¼	−½
62⅜	36¾	WalU s 1.20		2.0	16	155	59⅝	58⅛	59⅝	+¼
39¼	17½	WarnC .40		1.5	15	3301	27¼	26⅛	26⅜	−1
71	38½	WrnC pf3.63		6.7		175	54⅞	53¼	54⅛	−¾
87½	48¼	WarnrL1.60		2.7	17	x2261	69¾	67¼	67⅜	−½
28¾	19½	WashGs1.80		7.9	11	181	23⅛	22¾	22⅞	−⅛
37⅞	19¼	WshNat.08		4.2	10	204	27¼	25¾	25⅞	−1¾
30¼	22¼	WshWt 2.48		10.		376	24⅜	23½	23⅞	−½
48½	25½	Waste s .36		1.0	16	6773	38½	36⅝	37⅞	
38¾	22	WatkJn .40		1.7	12	118	24½	23¾	23¾	−⅜
8⅝	1½	WeanU				36	1¾	1⅝	1⅝	−⅛
15½	6½	Wean pf.63k				5	11¾	11½	11¾	+½
26½	8½	WebbD .34j			4	1127	11½	9⅝	11	+1¾
28⅜	18½	WeingRl.60		7.3	17	185	22¼	21¾	22	−¼
47⅝	23½	WeisM s .44		1.4	19	154	30½	30	30½	+½
60⅞	38	WellsF s1.56		3.6	31	533	43½	42⅞	43½	+½
52	46⅜	WelF pf3.12e		6.7		117	46¼	d46¼	46¼	−¾
30	16⅝	WelFM 2		10.	16	89	19¾	19⅝	19½	−½
18¼	5	Wendys .24		3.8	[illegible]	[illegible]	[illegible]	6¼	6⅝	+⅜
22⅛	12⅞	West s .28		2.0	13	301	15¼	13¾	14	−1
58½	47½	WPenPpf4.50		9.2		z100	49	49	49	
36	21	WtPtP s			16	584	24	22⅝	24	+1⅝
15	9	WstctT g.60			11	100	11	10⅞	11	+¼
3⅞	¼	WCNA				603	1½	1⅜	1⅜	+⅛
12¾	3⅜	WCNA pf				218	5½	4½	5¼	+1¼
16¾	14	WtGs pf1.80		12.		1	15	15	15	+⅛
24⅛	8	WstnSL .24		2.0	9	213	12¼	12	12¼	
5½	2	WUnion				1003	2⅝	2⅜	2½	+¼
26½	15	WnUn pf				2	16	16	16	+1
3½	1½	WnU pfS				41	1¾	1⅝	1⅝	+⅛
6	1¾	WnU pfE				45	2¼	1⅞	2¼	+⅛
13	6¾	WUTI pfA				22	8	7⅜	7⅞	+⅜
75	40	WstgE 1.72		3.6	10	x3721	48	46	47¾	+1⅞
37½	23	Wstvc s			15	1524	29¾	28¾	29¾	+1
60	29⅞	Weyerh1.50		3.9	13	4294	38¾	36¾	38	+⅜
50	32½	Weyer pr2.62		7.6		x85	34¾	34½	34½	−¼
11⅞	5⅜	vjWhPit				283	8⅞	8	8	−⅝
28	17½	vjWPit pfB				z100	19½	19½	19½	−1½
40⅞	22	Whripl s1.10		4.6	10	3257	24½	23¾	24⅛	+⅜
28¼	12	Whitehl			22	188	15⅛	14⅝	15⅛	−⅛
39¼	25	Whittak 1		3.7	8	37	27¾	27⅛	27⅛	−⅞
21½	7¼	Wickes			4	2430	9¾	9	9½	+⅜
10⅞	3¼	Wick wt				44	4⅜	4¼	4¼	
33⅜	17¾	Wick pfA2.50		12.		79	20¾	19½	20⅛	+⅞
12¾	4	Wilfred .12		2.5	20	9	5	4¾	4¾	
28⅝	10	WillcG s .11		.8	11	274	13¾	12¾	13¾	+1
37⅞	18⅛	Willaml.40		5.4		3333	27⅝	25⅛	26	−1
8½	4½	WilshrO			40	55	5⅝	5¼	5¼	−⅜
17¾	5	Winchl n.80e		15.		228	6⅛	5¾	5⅞	
8	1½	Winjak .16e		5.3		45	3	2⅞	3	+¼
59	40⅛	WinDix1.86		4.4	15	690	43¼	41⅝	42	
15⅞	7	Winnbg .40		4.8	11	574	8⅝	8⅛	8⅜	+⅜
4	1⅜	Winner				116	1⅞	1⅝	1⅝	−⅛
28⅞	21	WisEn s1.44		5.9	10	x1249	24⅜	24	24¼	+⅛
31	26	WisG pf2.55		9.7		1	26¼	26¼	26¼	
54¾	42½	WiscPL3.12		6.9	10	89	46	45⅞	45⅞	−⅜
27⅝	18⅞	WisPS s1.54		7.3	10	400	21½	21	21⅛	−⅜
47⅜	28⅝	Witco 1.26		4.3	10	382	29⅞	28⅜	29½	−¼
16½	8¾	WolvTc .20		2.0	7	219	10¼	9⅞	10⅛	+⅛

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
33⅝	10	ZenithE				2775	14	13½	13½	
13½	3⅛	ZenLab				2343	4¾	4⅛	4¾	+⅝
26½	13½	ZenNtl .80		4.9	8	100	16¾	16	16¼	+½
20⅝	11⅝	Zero .36		2.5	14	431	14½	13⅛	14½	+1¼
30¾	15	Zurnin s .68		3.2	14	552	21¾	20¾	21½	+½
10⅝	7¼	Zweig .85e		7.3		505	8⅞	8	8⅞	+⅛

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls – sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-divident or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

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AMEX COMPOSITE CLOSING PRICES

Stock	Div	P/E	Sls 100s	High	Low	Close	Chng
AT&E			643	9½	8⅞	9⅛	+⅛
AcmePr			38	2⅝	2⅜	2½	+⅜
AdRusl		279	163	39	37¾	39	+1
AlbaW		8	14	6⅛	6	6	−⅛
Alphaln			177	5¼	4⅝	5	
Alza		133	1257	26⅞	25⅜	26½	+⅛
Amdahl	.20	13	2315	31½	30	30¼	−½
Alarted	.31e	8	66	21¾	21¼	21½	+⅝
AMzeA	.52	8	107	14	13½	13¾	+⅜
AMzeB	.52	6	10	12¾	12¾	12¾	+⅛
AMBld			191	2⅛	2	2⅛	
APetl	.50e	9	3	52⅜	52⅛	52⅜	−⅛
APrec	.20	49	2	13¾	13⅝	13¾	
AmRoyl	1.71e	4	10	8⅛	8	8	−¼
AScIE		156	65	3¼	3	3⅛	+⅛
Ampal	.08	5	88	2¼	2	2¼	+⅛
Andal		3	13	6½	6¼	6⅝	
AndJcb			7	1⅛	1⅛	1⅛	
ArzCmn			14	6⅝	5½	6½	
Arrotm			28	2⅝	2¼	2½	−⅛
Arundl		6	24	22⅞	22⅝	22⅝	−¼
Asmrg	.20		2480	7	6¾	6⅝	+¾
Astrotc			339	7-16	⅜	⅜	
Atari		10	641	7¼	7⅛	7⅛	−⅛
AtlsCM			274	1	15-16	1	
Atlsswt			134	14⅜	12⅝	14⅜	+2
B B							
BAT	.27e	10	5412	7⅞	7⅝	7⅞	+¼
Banstrg			2	7	7	7	
BaryRG		7	82	5⅞	5¾	5⅞	−⅛
Baruch			40	4⅞	4¾	4⅞	+¼
BergBr	.32	13	179	16¼	15⅞	16	+⅜
BicCp	.72	11	93	24⅜	23⅛	24⅜	+1
BinkM	1	10	28	25½	25⅛	25¼	+¼
BlountA	.45	23	24	12⅝	12⅜	12⅜	−⅛
BowVal	.10r		55	11⅛	10¾	11	−⅜
Bowmr			34	1⅝	1⅝	1⅝	+⅛
Bownes	.25	10	454	13⅝	13¼	13½	+¼
Bracng	.88		61	20¼	19⅞	19⅞	−⅛
C C							
CDIs		13	10	15½	15	15½	+½

Stock	Div	P/E	Sls 100s	High	Low	Close	Chng
Wellcos	.25	5	104	13⅝	12⅝	13⅝	+1⅛
WellAm		5	22	1⅞	1¾	1¾	−⅛
WelGrd			34	5⅞	5⅜	5¾	−⅛
WDigtl		9	1920	16⅞	16⅛	16¾	+¼
WhrEnt		33	230	9⅝	9⅜	9½	+¼
Wdstrs	.28	22	120	6¾	6¾	6¾	
Worthn			38	5	4⅞	4⅞	
X Y Z							
Zimer			27	2⅛	2	2⅛	

OVER-THE-COUNTER

Nasdaq national market, closing prices

Stock	Sales (Hnds)	High	Low	Last	Chng
A&WBd	125 104	10	9¼	10	+¾
ADCs	16 253	18¼	15¾	18¼	+¼
ASK	14 2594	8⅞	8½	8¾	+½
AST	11 1753	10	8½	9⅜	+⅞
Actmds	28 111	15¼	14⅜	14¾	−¼
Acusn	23 1182	14¾	14	14¼	+¼
Adapt	9 290	7⅜	6¾	7	−¼
AdiaSv .10	17 411	18	16¾	16¾	−1
AdobSs	42 1785	25	22	25	+2½
AdvTel	14 1075	14⅝	13	14½	+1¼
AdvoSy	1112	7	6⅝	6⅝	−¼
Aegon .54r	11	31¼	31	31	−⅝
AffBsh	20 441	11¼	10⅞	11¼	+⅜
AgncyR t	19 315	17¼	16	17¼	+¾
Agnicog .20	751	18½	15¾	18⅜	+2¾
AirWisc	13 292	8	7¾	7⅞	−⅛
AlcoHlt	9 176	11¾	11½	11½	−¼
Aldus	1063	21¼	20	20¾	+¼
AlexBrs .16	6 587	11	9¾	11	+1
AlexBld1.36	10 590	44¾	41¾	43¼	+1¾
Allaco	2388	6½	5⅝	5½	+½
AlegW .30	5 106	10¾	10	10¾	+⅞
Allianz	18 951	7¾	7¼	7¾	+¼
AlldBn	848	5⅜	4¾	5⅛	+¼
Allwast	828	14½	13	14⅜	+1⅜
Altos	14 346	11¼	10⅞	11	
Amcast .44	38 63	10¼	9	10	+1
AWAirl	642	5⅞	5⅝	5¾	+⅛
ABnkr .60	4 337	9⅜	9	9⅛	−¼
AmCarr	159	6¼	5¾	5⅞	+⅛
AmCity	45	25¼	23¼	25¼	+1½
AGreet .66	10 9681	17	16⅞	16⅞	
AmHlth.20r	14 332	15	14½	14⅞	−⅛
AHSld	14 128	5⅛	4⅞	5	
AmInLf .40	7 35	10⅛	9⅞	10⅛	+¼
AMSa	22 228	12⅝	12¼	12⅜	−⅛
ANtlns 1.32	4 757	27	26½	26¾	
ASvNY .60e	4 491	12⅜	12	12	
ASNYpf1.81	26	16⅞	16½	16⅞	+⅜
ASofts .12	11 392	8⅞	8½	8⅞	+⅛
ATvCm	74 1090	22⅜	21¾	22¼	+¼
AmFlFd	787	12¼	11⅞	12	−⅛
Amritrs 1	121 704	18¼	17⅞	18⅛	+¼

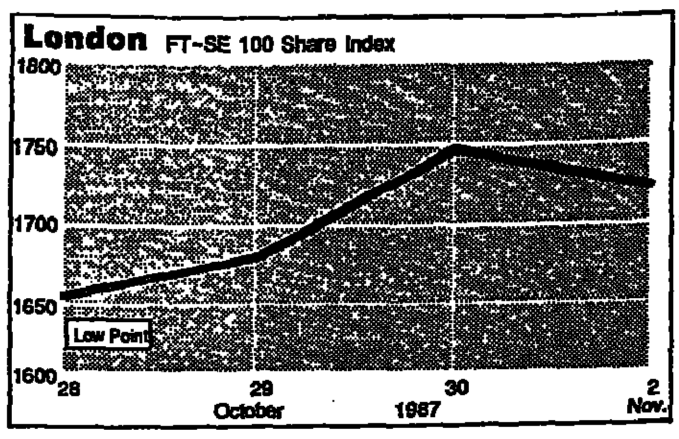
Stock	Sales (Hnds)	High	Low	Last	Chng
Komag	21 545	9⅛	8½	8⅝	−⅜
Krugors .20	15 609	8¼	7⅝	8¼	+¾
Kulcke	1064	9¼	8⅝	8⅝	
L L					
LAGear	467	8½	7⅛	8⅜	+⅞
LSI Lg	49 2526	8⅞	8⅜	8¾	
LTX	639	12	11	11	−1¼
LaPete	31 765	18⅛	17¼	17¾	+⅜
Lacang	113	10¾	10¼	10⅝	+1¼
LaddFr .16	10 258	14	13⅛	14	+1¼
LakShw .20	18 63	16¼	15¼	16	+½
LdlTB s	30 516	12¾	12⅛	12½	+¼
LamRs	748	6½	5⅝	5⅝	−⅞
Lancsts .68	12 113	17	16½	16¾	+½
Lances .64	15 682	17¾	17½	17½	−⅜
LndEds	20 491	19¼	18¼	18¾	
Lawsns .28	17 189	27¼	26¼	26½	+½
LeeDta	157	3¾	3½	3¾	
Liebr	12 12	15	15	15	−⅛
LieTch	14 432	11⅛	10½	11	+½
LinBrds	14 6749	42½	40⅞	42¼	+⅝
LnFilm	12 443	9	8½	9	+¼
LinearT	41 85	10¼	9¾	10¼	−¼
Liposm	2348	3	2¾	3	+⅛
LizClas .17	15 6511	19¾	18½	19¼	+½
LoneStr	19 511	17	16¾	16¾	−⅛
LongF 1.60	7 149	41	38½	40	+¾
Lotuss	18 6726	27½	26	27⅜	+⅜
Lypho	27 1078	18⅛	16⅞	18⅛	+1
M M					
MCI	8437	10	9⅝	9⅞	+⅛
MDTCp	23 1741	5⅞	4⅞	5⅜	+⅝
MNC 1.58	7 461	35¼	34⅛	34⅞	+⅝
MNXs	8 216	8	7½	7⅞	−⅛
MSCarp	12 49	9¾	9	9¾	−¼
MTECH	16 373	17¾	15½	17½	+1½
MackTr	22 411	14¾	14¼	14⅝	+¼
MB gs	1572	14¼	13⅞	14	−⅛
MagmC	6242	9⅛	7¼	9	+1¾
Magnal .48	5 2942	9¼	8⅞	9⅛	+⅞
MajRt	9 312	10	8⅝	10	+1⅝

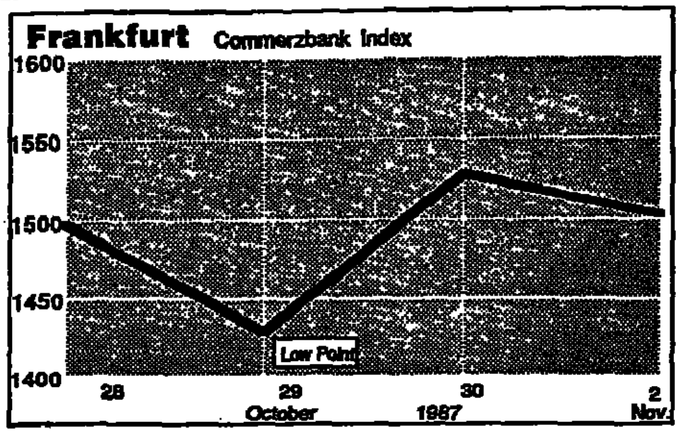
Stock	Sales (Hnds)	High	Low	Last	Chng
NwNLf 96	7 256	22¾	22¼	22⅝	+½
NorwSv 17e	72	9¾	9½	9¾	+⅜
NovaPh	1062	8½	7⅜	7¾	−⅜
Novells	16 1832	18⅝	16¾	17½	+¼
Noxells 40	21 651	24¼	22½	22½	−1¾
Numrc .56	14 173	11	10½	11	+½
O O					
OMI Cp	47 1260	4¼	3⅞	4¼	+⅜
OMIpf	190	15¼	14¾	15¼	+¼
OcuUrg	123	8¾	8⅜	8⅝	−⅛
OgilGp .84	13 1466	24¼	22½	23½	−½
OhioCas1.68	8 313	37¾	36½	37¾	+1
OldKnts .80	8 377	20⅝	18¾	20⅛	−⅛

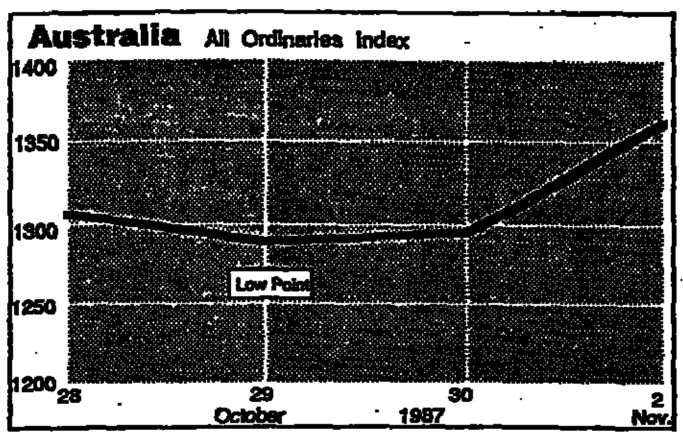
Continued on Page 47

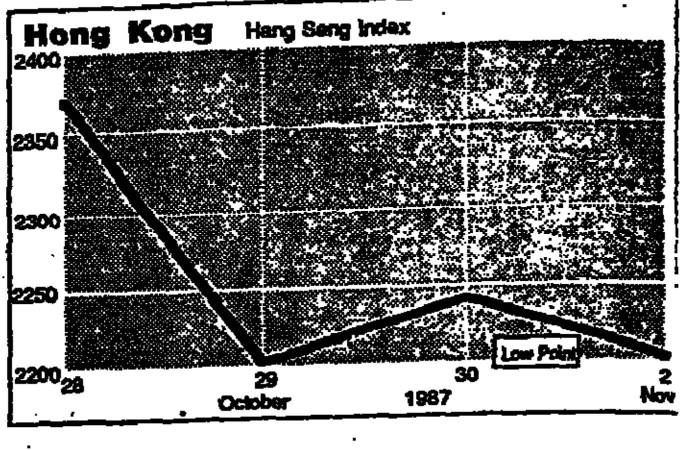
FINANCIAL TIMES

WORLD STOCK MARKETS









AMERICA

Takeover offers underpin advance

WALL STREET

OVERCOMING a hesistant start and a tumbling dollar, Wall Street stock prices posted modest gains yesterday in light trading, *writes Roderick Oram in New York.*

Bonds finally succumbed to currency pressures and prices fell about three-quarters of a point in moderate trading.

The Dow Jones industrial average closed up 20.56 points at 2,014.09. It had slipped some 25 points shortly after the opening but a few stock index arbitrage buy programmes helped push it up. It was the fifth gain in a row, the average's longest winning streak since July.

Broader market indices performed somewhat better than the Dow. The Standard & Poor's 500 index rose 3.95 to 255.74 and the New York Stock Exchange composite index added 1.94 to 142.74.

Analysts warned, however, that the market was making a largely technical bounce from the deep lows recorded two weeks ago. Investors remain highly cautions about the potential for stock prices to rise strongly in the near term.

A wave of takeover offers, prompted in part by lower share prices since the huge sell-off two weeks ago, helped underpin the market yesterday. Volume was light, however, with New York Stock Exchange trading shares by the time it closed 90-minutes early at 2.30pm.

In the takeover arena, Santa Fe Southern Pacific rose $4¾ to $55 on more than 1.46m shares. Henley Group, down $1⅛ to $20⅝, said it was negotiating to buy the railroad, property and natural resources group for $63 a share in cash and securities.

Santa Fe, which has been considered a takeover target for some time, boosted some other railroad stocks. CSX edged up $½ to $27¼, Norfolk Southern added $⅞ to $24⅛, Burlington Northern rose $3⅜ to $63½ and Union Pacific jumped $3⅞ to $56⅞.

Singer leapt $3½ to $47¼ following a takeover offer of $50 a share from an investment group led by Mr Bilzerian, a Florida corporate raider. It had declared a 9.9 per cent stake in the aerospace electronics group last week.

USG added $½ to $35⅞ after its senior management said they would not participate in a $50-a-share leveraged buyout proposed last week by Desert Partners, an investment group led by Mr Cyril Wagner and Mr Jack Brown, two Texas oilmen.

USAir jumped $1⅛ to $32⅝ and Piedmont Aviation soared $7⅝ to $70⅜. Federal regulators approved the merger of the two airlines late last Friday.

Bell and Howell rose $3½ to $55. An investment group led by Mr Robert Bass, another Texas oil man and raider, increased its stake in the manufacturer of information retrieval equipment to 15.9 per cent, or 1.49m shares, by purchasing 432,700 shares between October 12 and October 28 at prices ranging from $41.16 to $69.05.

Telex added a further $4⅜ to $55⅞. Mr Asher Edelman, a New York investor, has begun a $63 a share offer for the maker of computer peripheral equipment.

Brockway gained $6 to $51. Owens-Illinois has extended to next Monday its $60-a-share offer for the glass and plastics container group.

Among companies reporting higher third-quarter profits yesterday, NWA, parent of Northwest Airlines, fell $⅝ to $39⅝. Other airlines were generally higher. AMR added $1¼ to $36½, Allegis rose $1⅛ to $74⅝, Delta Airlines added $½ to $38⅞, TWA gained $½ to $19⅝ and Texas Air edged up $⅜ to $14⅜ despite reporting a large third-quarter loss.

Genentech added $3 to $37. The leading biotechnology company reported third-quarter profits of 6 cents a share against 5 cents a year earlier.

Credit markets fell from the opening, finally succumbing to the pressure of a sliding dollar. By late afternoon the Treasury's 8.75 per cent benchmark long bond was off ⅜ of a point at 97 15/32 yielding 9.12 per cent. Short-term rates were sharply higher with, for example, three-month Treasury bills up some 40 basis points at 5.80 per cent on a bond equivalent yield.

The Treasury's quarterly refunding begins today with the sale of $9.75bn of three-year notes which were trading yesterday in the "when issue" market at a yield of 8.02 per cent, up seven basis points from Friday.

It will sell $9.25bn of 10-year notes at the second leg tomorrow and $4.75bn of 30-year bonds on Thursday. Analysts said the market was in good technical shape to absorb the new securities.

As expected, the Federal Reserve did $1.5bn of customer repurchases which helped keep the Fed funds rate steady at about 6¾ per cent.

Economic data yesterday had little impact on the market.

CANADA

SOLID GAINS in gold issues offset a slight decline in mines and metals to leave Toronto stocks slightly ahead at midsession.

Golds were mostly higher, with Lac Minerals rising C$⅝ to C$10¾, International Corona climbing C$2 to C$47½ and Echo Bay advancing C$1⅞ to C$25.

Among blue chips, Seagram climbed C$4½ to C$76½, Bell Canada Enterprises advanced C$1¼ to C$37 and Canadian Pacific added C$⅜ to C$22⅝. Northern Telecom, which plans to create a communications systems company in France, rose C$1½ to C$23.

Mines staged a broad advance, with Alcan Aluminium rising C$2¼ to C$33¼ and Noranda gaining C$1 to C$21¾.

Banks mostly firmed, with Royal Bank adding C$¼ to C$28. It announced a withdrawal from underwriting and market making in Eurobonds. Canadian Imperial Bank added C$⅛ to C$18, while Bank of Nova Scotia made up C$⅝ to C$13¼.

Energy issues were mixed.

Montreal was modestly higher, while Vancouver posted strong gains.

EUROPE

Dollar serves as mild depressant

WORRIES over the outlook for the dollar and uncertainty about Wall Street's recovery held European bourses to narrow price movements in quiet trade and only Madrid made substantial ground, *writes Our Markets Staff.*

FRANKFURT ended down, though off its lows, with some investors cashing in Friday's gains on pessimism over the prospects for the dollar. The Commerzbank index, measured at mid-session, fell 20.7 to 1,505.3.

Banks gave up ground, paced by a DM8.50 fall by Deutsche to DM519.50. Bayernhypo was DM13 off at DM363 and BHF fell DM8 to DM400. Commerzbank shed DM1.50 to DM245. Insurer Allianz, though, made up DM12 to DM1,195.

Uncertainty over the dollar continued to depress car makers, with Daimler off DM9 at DM804, BMW down DM11 to DM509 and VW lower by DM2.50 at DM272.50. Porsche fell DM10 to DM650.

BASF dipped DM6.80 to DM265 and Bayer DM6.50 to DM287 in chemicals, while Hoechst gave up DM4 to DM260.

Computer stock Nixdorf was a lone livewire among electronic issues, adding DM14 to DM658. Siemens faltered DM3 to DM484 and AEG was DM4.30 behind at DM246.70.

Retailers fell modestly, Massa most sharply by DM5 to DM275. Degussa, meanwhile, staged a DM15 rally to DM410 and Preussag rose DM6 to DM148.

Engineers were mixed, with Mannesmann off DM5.30 to DM139.70 and Linde DM15 cheaper at DM570. KHD was DM16.80 down at DM110, but MAN steadied at DM146 and Deutsche Babcock managed a DM10 gain to DM180.

ZURICH rose in patchy trade, buoyed slightly by moderate bargain hunting for blue chips, but held back by chronic currency worries. The Credit Suisse index closed 6.6 higher at 485.5.

Banks moved narrowly, UBS rising SFr20 to SFr800 and Swiss Bank up SFr9 to SFr337. In mixed engineerings, Brown Boveri lost SFr60 to SFr2,310 and Sulzer registered fell SFr150 to SFr4,400. Saurer dipped SFr20 to SFr280.

Holdings continued to make up for recent sharp declines, Adia recovering SFr250 to SFr7,000, Ascom SFr250 to SFr5,800 and Holderbank SFr150 to SFr4,625. Nestle featured among foods with a SFr225 gain to SFr8,575.

Ciba-Geigy, though, lost SFr65 to SFr3,050, while fellow chemical group Sandoz picked up SFr80 to SFr1,820.

AMSTERDAM drifted broadly lower in the quietest session since the market turmoil broke on October 19. Bigger investors remained aside from the market, cautious over the direction both of the dollar and Wall Street stocks. The CBS all-share index slid 1.3 to 72.

Among internationally-traded blue chips, Akzo fell a further Fl 3 to Fl 117, Philips dipped Fl 1.60 to Fl 33.50 and Unilever fell Fl 3.70 to Fl 107.80. KLM edged 30 cents down to Fl 34.80.

Fokker, however, defied the trend in the wake of last week's news of Dutch government support, adding Fl 2.10 to Fl 26.30.

MADRID advanced for it s second successive session as investors took heart from easier interest rates and central bank pledges to intervene if necessary against the dollar's fall. The general index added 16 to 238.68, with rising issues outpacing falls by more than 9-to-1.

Construction stocks laid the foundations, with banks and chemical groups also rising.

Telefonica, the market leader, added 16 percentage points to 171 per cent of par amid news of strong earnings growth.

OSLO ventured cautiously higher in thin trade dominated by modest institutional portfolio rebuilding. The all-share index crept up 5.85 to 311.00 in trade of just NKr74m.

Norsk Hydro picked up NKr2.50 to NKr185.50 as just 19,600 shares changed hands. The Norwegian parliament yesterday approved state participation in the majority state-owned group's NKr3.5bn rights issue, due in the last week of November. Saga Petroleum also managed a NKr2 rise to NKr122.

In firmer banks, Bergen Bank made up NKr5 to NKr188 and Den Norske Creditbank put on NKr3.50 to NKr168.

MILAN fell in directionless and dull trade, weighed both by currency worries and uncertainty surrounding the approval of Italy's 1988 budget. The MIB index closed 1.46 per cent lower at 743.

Fiat continued its downward drift, closing L105 off at L9,35?, as did Montedison, losing L24 to L1,620.

HELSINKI crept higher in dull and hesitant trade on gains among banking and insurance stocks. The Unitas all-share index closed up 0.2 per cent at 592.

STOCKHOLM ended largely unchanged in nervous trade.

PARIS and **BRUSSELS** were both closed for the All Saints day holiday.

LONDON

THE CAUTIOUS recovery in the London securities markets ran into the sand yesterday as investors backed away in the face of uncertainties both at home and on overseas markets, *writes Terry Byland in London.*

The FT-SE 100 Index closed 26.1 down at 1723.7, brushing aside a rally in New York in early trading. Turnover fell sharply from last week's levels, although the newly-issued shares in British Petroleum had another busy session.

British Government bonds edged lower as the international securities houses braced themselves for the outcome of this week's $23.75bn quarterly funding by the US Treasury. Rumours of a squeeze on US bond traders also upset London.

The outlook for UK markets and domestic interest rates still hangs on the ability of the US authorities "to cobble together something on the US deficit which is acceptable to the marketplace," commented an equity marketmaker at a leading US bank in London.

British Government stocks showed little response to Orion Royal Bank's withdrawal from marketmaking in UK Gilts.

ASIA

Higher yen trims Nikkei's gains

TOKYO

THE CONTINUING decline of the dollar against the yen depressed activity in Tokyo yesterday but share prices managed to move slightly higher after a poor, slow start, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei stock average of 225 select issues, which shed 207 points in mid-morning, ended 29.69 points higher at 23,358.60. Volume totalled 564m shares compared with Friday's 934m. Advances led declines by 484 to 369, with 149 issues unchanged.

The market got off to a weak start as institutional investors retreated to the sidelines before Tuesday's market holiday. The yen's surge against the dollar to the Y137 level was another discouraging factor.

In the afternoon, a pause in the yen's upswing helped ease investors' anxieties. A major investment trust company placed small-lot buy orders for 40 issues and the market turned upward.

Selected small and medium-sized steel issues drew popularity. Tokyo Steel soared Y160 to Y3,420 on a forecast of an improvement in its business performance.

Yodogawa Steel Works surged Y140 to Y1,210 while Yamato Kogyo finished Y80 higher at Y1,240.

Large-capitalisation stocks recovered towards the close. Ishikawajima-Harima Heavy Industries was actively traded and gained Y32 to Y840 while Nippon Kokan added Y6 to Y359.

Kawasaki Steel topped the most active list with 60.76m shares but closed Y1 lower at Y354 after losing Y7 at one stage. Nippon Steel also fell Y1 to Y441.

Chemicals posted moderate gains on small-lot buying. Showa Denko added Y4 to Y749 and Japan Metals and Chemicals rose Y21 to Y491.

High-technology stocks opened lower, depressed by the yen's surge, but some of them turned upwards towards the close. Matsushita Electric Industrial, which shed Y50 at one stage, ended Y10 higher at Y2,010. NTT gained Y30,000 to Y2.83m.

After a firm start, bond prices turned lower under profit-taking. The benchmark 5.1 per cent government issue, maturing in June 1996, dipped to 4.465 per cent in early trading. Later, mounting concern about high prices lifted the yield to 4.575 per cent compared with Saturday's 4.550 per cent.

On the Osaka Securities Exchange (OSE) prices kept rising with buying interest centred on small-capital stocks.

The 250-issue OSE stock average closed up 97.89 at 23,760.12 on volume of 79m shares.

Kurimoto, reporting good business results, advanced Y65 to Y1,040, while Sekaicho Rubber ended Y120 higher at Y1,170.

AUSTRALIA

THE RETURN of some stability to the Australian dollar and signs of renewed foreign interest triggered an early wave of buying which lifted share prices sharply higher.

The All Ordinaries index added 68.5 to 1,360.8, a rally of 5.3 per cent. Volume, however, was low at 129m shares.

Merchants, banks, transport and media stocks led the charge among blue chip industrials.

Robert Holmes a Court's Bell Group and Bell Resources, among the hardest hit by the market shakeout, rose 20 cents to A$3.10 and 22 cents to to A$1.72 on rumours of a possible takeover bid for BHP, which climbed 46 cents to A$7.96.

HONG KONG

A DAY OF see-saw trading left share prices in Hong Kong mostly lower in moderate trade. The Hang Seng index dropped 36.9 to 2,203.23 after giving back early gains.

Utilities took a beating as Hongkong Telephone lost 60 cents to HK$11.90, China Light fell 30 cents to HK$17.40 and Hongkong Electric shed 15 cents to HK$7.55.

Selective bargain-hunting in blue chips lifted Swire Pacific 40 cents to HK$13.40 and Jardine Matheson 60 cents to HK$9.90.

Among other blue chips, Hongkong Bank lost 5 cents to HK$7.40, Cheung Kong shed 30 cents to HK$7.40 and Hutchison was down 20 cents at HK$7.65.

SOUTH AFRICA

THE FIRMER bullion price was offset by a higher financial rand which triggered foreign selling, particularly in mining financials, and left prices mixed with an easier bias.

Heavyweights were mostly lower. Vaal Reefs lost R7 to R358, Randfontein shed R5 to R315 and Western Deep dropped R4 to R151.

Medium and lightweight golds were mixed to higher. Leslie rose 25 cents to R6.75 but Loraine shed 25 cents to R24.25.

In mining financials, Anglos lost 75 cents to R68.25 and Gold Fields of South Africa dropped R3 to R67.

Battered Singapore picks itself up

SINGAPORE'S stock market, which has been one of the worst hit in the global downturn, continued to recover some of its nerve yesterday after an almost relentless two-week battering, *writes Roger Matthews in Kuala Lumpur.*

The Straits Times industrial index closed 53.15 points higher at 871.7, with most of the gain coming before lunch as bargain hunters appeared in greater numbers.

Few brokers, however, have much confidence that this presages a more sustained, longer-term rally. "The psychological damage that has been done here should not be underestimated," commented one broker. "People are now tending to sell if they achieve a 10 cent gain, but a lot of others are just staying on the sidelines."

Even after the first indications of a rally on Friday, the index still stood 41 per cent below its opening on October 19 and a full 46 per cent down on the record high of 1,584.4 on August 15. Among the rest of the world's bigger markets only Mexico and Australia fared as badly.

It has been doubly painful for Singapore because the collapse came against the background of a strong economic recovery from the 1985 recession, with gross national product showing a rise of over 7 per cent in the first half and more expected to follow in the third quarter. Cost-cutting measures adopted by the Government were also percolating through into significantly increased company profitability.

Singapore was also very unlucky. As trading began on October 19, with sentiment already depressed by Wall Street's performance the previous Friday and the earlier opening of the Tokyo market, news came through of a shooting incident in Kuala Lumpur which was quickly interpreted as the possible start of racial conflict.

As the two countries are so closely linked, with more than half the quoted shares in Singapore being Malaysian companies, the impact was immediate. And when buyers emerged again the following week they were quickly seen off by fears of further trouble as the Malaysian authorities arrested several dozen political activists, including Chinese members of parliament.

Anxiety over Malaysia will continue to be a depressant, although sentiment was helped yesterday by indications that the racial temperature had cooled in Kuala Lumpur.

The Singapore authorities are taking credit for not hastily closing the exchange, as occurred in Hong Kong, and for the satisfactory performance of the new settlements system.

"What we could do with now is a month of relative calm and some indication that Washington knows what it is doing, both as regards its economy and the future of the dollar," commented a broker. "The one thing we do not want now is for the dollar to go into a free fall. After what we have been through that would be the last straw."

Newly-listed DBS Land, the most active stock on a turnover of 3.2m shares, closed 11 cents higher at S$1.28. Paper Products rose 3 cents to 30 cents on 2.4m shares exchanged. Sime Darby gained 17 cents to S$2.15 on a volume of 1.8m shares.

Elsewhere, Metro rose 95 cents to 6.20 dlrs, Fraser and Neave 50 to 7.50, Singapore Airlines 50 to 9.55, Perlis Plantations 44 to 4.30, Singapore Land 42 to 4.10, New Straits Times 40 to 3.50, Singapore Press 40 to 7.00 and DBS 35 to 9.30.

Among other blue chips Haw Par was up 20 cents at S$3.20, National Iron gained 24 cents to S$4.98, OCBC up 20 cents to S$7.30 and UOB was 25 cents higher at S$5.20.

Stronger Malaysian stocks included Sime Darby, up 11 cents at S$2.03, Rothmans (M), which gained 28 cents to S$4.98, MMC, adding 9 cents to S$1.50 and Berjuntai, up 5 cents to S$2.75.

Consolidated Plantations advanced 16 cents to S$1.86, Genting gained 24 cents to S$4.26 and KL Kepong was up 21 cents to S$1.97 and Malayan Banking climbed 22 cents to S$4.48. Selangor Properties was up 9 cents at 94 cents.

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